Austria ... Sch. 18	Indonesia .. Rp 2500	Portugal ... Esc 75
Bahrain .. Din 0.650	Italy ...... L 1100	S. Arabia . Rls 6.00
Belgium ... BFr 38	Japan Y550	Singapore . S$ 4.10
Canada ... C$2.00	Jordan ... Fils 500	Spain .... Pta 100
Cyprus .. Mils 600	Kuwait ... Fils 500	Sri Lanka ... Rup 30
Denmark .. DKr 7.25	Lebanon .. L£ 6.00	Sweden .. Skr 6.50
Egypt .... E£1.00	Luxembourg .. LFr 38	Switzerland . SwFr 2
Finland .. Fmk 5.50	Malaysia .. Rin 4.25	Taiwan ... NT $65
France .. FFr. 6.00	Mexico .. Pes. 300	Tunisia .. Din 0.600
Germany . DM 2.20	Morocco .. Dh 6.00	Turkey .... L 160
Greece ..... Dr 60	Netherlands . Fl 2.50	U.A.E. ... Dh 6.50
Hong Kong . HK$ 12	Norway .. Nkr. 8.00	U.S.A. $1.50
India .... Rup. 15	Philippines . Pes. 20	

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,230 — Thursday January 26 1984 — D 8523 B

Bonn faces strikes over 35-hour week issue, Page 2

NEWS SUMMARY

GENERAL

French jet shot down in Chad

A French Jaguar fighter-bomber was shot down by Libyan-backed rebels in Chad trying to advance into the Government-held south of the country.

The loss of the aircraft, which was hit by a ground-to-air missile, represents France's first big setback since it began military operations to help the embattled Chad Government five months ago.

The pilot, who tried to escape by ejecting from the aircraft, was killed. Page 3

Hong Kong talks

China and Britain today complete two days of talks on the future of Hong Kong, after Chinese statements that a mutually acceptable solution seems possible.

Danish delay

Danish Parliament was prevented from starting its work when the opposition Social Democratic Party called for an audit of all voting registers and a recount of all postal votes in the January 10 general election.

Shamir wins vote

Israeli Premier Yitzhak Shamir's government survived an opposition no-confidence motion by 62 votes to 56 after a stormy Knesset debate.

Mubarak invitations

Egypt confirmed that President Mubarak *had been invited* to visit Iraq and Jordan, even though the country has no diplomatic ties with either state.

Trudeau in Prague

Canadian Premier Pierre Trudeau arrived in Prague at the start of a tour of three Warsaw Pact nations to promote his plan to reduce East-West tension.

Police chiefs ousted

Nigeria's new military rulers have retired 34 top-ranking police officers and forced several others into less sensitive positions.

Attack in Portugal

Raiders opened submachine gunfire on the home of a glass manufacturer near Leiria, central Portugal. No injuries were reported.

$4.7m fines dropped

A U.S. judge cancelled fines totalling $4.7m imposed on 31 Florida boat captains who ferried thousands of Cuban refugees to the U.S. in 1980.

Surinam move

Surinam's military leader Des Bouterse said a crisis government would be set up on Friday to restore order after a five-week strike in the bauxite industry.

New turtle operation

Lucky, the 25-year-old turtle that had artificial flippers grafted on after a shark bit off her own, is having a new operation in Miami because a flipper fell off when her left shoulder snapped.

Saved from the pot

Hong Kong sent across the Chinese border to Canton zoo 16 endangered animals saved from the city's gourmet restaurants: a brown bear, six monkeys, an eagle, a python, three crocodiles, and four tortoises.

Race joke protest

French student journalists occupied the British consulate at Bordeaux to protest against anti-French jokes in British newspaper The Sun.

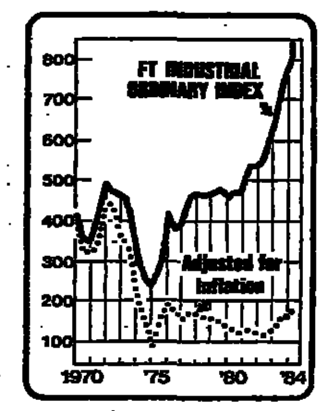
BUSINESS

Volvo reports record profits

VOLVO, Scandinavia's biggest industrial group, reported record sales and profits for 1983, despite continuing setbacks at its oil and gas subsidiary Scandinavian Trading Corporation. Provisional profits are up by 58 per cent to SKr 3.8bn ($464.5m) before tax and allocations. Page 20

DOLLAR ended the day lower in nervous trading, easing to FFr 8.62 (FFr 8.625), SwFr 2.2415 (SwFr 2.244) and Y234.15 (Y234.25), but holding at DM 2.821. Its Bank of England trade-weighted index fell from 132 to 131.8. Page 43

STERLING gained 15 points to $1.4025 in London, where it also improved to DM 3.96 (DM 3.955) and FFr 12.09 (FFr 12.08). It was unchanged at SwFr 3.145 and Y328.5. Its trade weighting rose from 81.6 to 81.8. Page 43



LONDON: FT industrial ordinary index advanced 15.6 to a record 840.5. A few government securities showed marginal falls. Report, Page 37; FT Share Information Service, Pages 38-40

WALL STREET: Dow Jones industrial average was 3.14 ahead on 1,246.02 at 1.30pm. Report, Page 33; Full share prices, Pages 34-36

TOKYO: Nikkei Dow index rose 92.18 to 10,115.1, and the Stock Exchange index improved by 7.71 to a record 768.64. Report, Page 33; Leading prices, other exchanges, Page 36

FRANKFURT: Commerzbank index rose 9.9 to a record 1,075.5. Leading prices, Page 36

GOLD rose $1.5 to $366.625 in London, by $1.25 in Frankfurt to $366.5, and by $1.5 in Zurich to $366.75. In New York the Comex January settlement was $367.2 ($366.5). Page 42

SPAIN announced measures to rationalise its motorway system and attract external finance into the sector. Page 2

SWEDEN'S minority Social Democratic Government wants to push through tax increases to boost defence spending by SKr 1.2bn ($146m) over the next four years.

POLAND'S foreign debt will rise by several billion dollars to $29.3bn by the end of the year, Finance Minister Stanislaw Nieckarz said.

CHANNEL TUNNEL: Five British and French banks are pressing for a decision within six months on financing a twin-rail project. Page 20

FRANCE'S Foreign Trade Ministry has denounced the proposed U.S. Wine Equity Act, which would curb imports from Europe. Page 20

HOOGOVENS, the largest Dutch steel producer, had trading in its shares suspended as the Economics Ministry released details of its continuing financial support. Page 20; Feature Page 18

PROCTER & GAMBLE, U.S. household products group, reported a slowdown in earnings growth in its second quarter, ended December, with net earnings at $214m ($210m), for a half-year increase of 3.9 per cent to $487m. Page 21

Regan expects $ and interest rates to fall this year

BY MAX WILKINSON, ECONOMICS CORRESPONDENT, IN LONDON

The dollar is likely to fall this year as a result of the mounting U.S. trade deficit, *Mr Donald Regan, Treasury Secretary, said yesterday. He also* predicted a decline in U.S. interest rates in the current financial year.

In a news conference by satellite link with journalists in several European capitals Mr Regan made it clear that only minor efforts would be made to reduce the U.S. budget deficit before the presidential election in November.

The view that the dollar is set to fall is privately endorsed by most European central banks, which do not think the present level of the U.S. currency is consistent with the expected current account of the balance of payments deficit of around $100bn this year.

Mr Regan said he thought the weakening of the dollar would be associated with some fall in U.S. interest rates.

He believed that interest rates would come down mainly as a result of success in holding down the U.S. inflation rate. He expected this to be running at an annual rate of 4 to 5 per cent this year. He said there was little evidence to associate high interest rates with a large budget deficit.

Under repeated questioning, however, about the level of the deficits expected in future years, Mr Regan said a major effort would be made to reduce spending once the election was over. But he believed it would not make sense to raise taxes – because that would reduce incentives.

The review of spending would encompass the whole spectrum of programmes including defence, Mr Regan said, although he would not be committed to any magnitudes.

In the shorter term, he said, the Administration would be aiming to trim the budget deficit back so that the total for the 1984 fiscal year would be about $10bn below the figure for 1983, with a similar reduction in the 1985 fiscal year. These *cuts would be small, however,* compared with the size of the deficit, currently expected to be about $180bn in the 1984 fiscal year.

Mr Regan said he was confident that the U.S. economy would continue its recovery this year and next, with output 4½ to 5 per cent higher in the first three months of this year compared with the same period in 1983, growth might slow down somewhat in the second quarter, he predicted.

Asked whether action might be taken before the presidential election to curb future deficits, Mr Regan said: "We are in a political year. As a pragmatist it seems to me that not much is going to happen this year, and not many tough choices are going to be taken before the November election."

In the meantime, he said: "We can handle the deficit." Strong growth of the U.S. economy, with low inflation and political stability, made the country attractive for foreign investment. The growing trade deficit would "cost jobs," but only a relatively small proportion of the economy depended on exports. By 1985, with a lower value for the dollar and a recovery of the world economy, he expected U.S. exports to improve.

Mr Regan said he was "neutral" in the controversy about whether to hold an interim committee meeting of the International Monetary Fund in Washington this spring.

Reagan speech stresses success of his policies

BY REGINALD DALE, U.S. EDITOR, IN WASHINGTON

PRESIDENT Ronald Reagan was last night gearing up to deliver a "positive, upbeat" Staate of the Union message stressing the success of his foreign and domestic policies in bringing peace and prosperity to the U.S. during his first three years in office.

The annual speech to a joint session of both houses of Congress, due to be nationally televised later last night, was widely seen as a broad-ranging preface to the brief announcement of his re-election intentions that he is scheduled to make on Sunday night.

White House officials said that the speech was intended mainly as a review of past accomplishments rather than a launching-pad for new initiatives.

They predicted, however, that among other points he would call for a simplified and more equitable federal tax code, express renewed wilingness to work towards reducing budget deficits without a major tax increase, and reaffirm his commitment to a lebanese settlement through the continued presence of U.S. marines in Beirut.

Mr Reagan was expected to stress that progress, albeit slow and painful, is being made in Lebanon, and that in East-West relations he has laid the basis for a constructive relationship with the Soviet Union.

The few initiatives were said to include a proposal for a manned space station, for which up to $175m is expected to be included in the fiscal 1985 budget due to be presented next week.

Mr Reagan was also expected to ask for the right of "line-item veto" – allowing a president to veto individual sections of proposed legislative and spending measures without having to oppose the entire bills in which they are contained – as a further means of keeping control of government expenditure.

Other topics were thought likely to include conservative favourites such as call for the reinstatement of school prayers, anti-abortion legislation and tax credits for private school fees.

On the tax front, officials said that Mr Reagan would announce a new government study *on closing* tax loopholes.

UK state funds for Airbus in balance

BY MICHAEL DONNE AND PETER RIDDELL IN LONDON

THE BRITISH Government's decision on whether to provide £437m ($611.8m) launch aid to British Aerospace for its share of the proposed A-320 150-seat European Airbus *is looking increasingly finely* balanced.

Mrs Margaret Thatcher, the Prime Minister, and the Treasury *have expressed considerable scepti*cism about whether the project will eventually be commercially viable and hence about the desirability of full government support.

The timing of an announcement has already slipped as alternative methods of financing the venture are explored. In particular, there has been growing pressure in Whitehall for British Aerospace to consider borrowing in the London financial community against possible government gurantees or even raising fresh capital.

The Treasury has strongly opposed the British Aerospace request, questioning whether the A-320 will ever be viable, since 600 aircraft would have to be sold for it to make a profit.

Ministers have suggested that if the case for the A-320 is as strong as British Aerospace and the other partners in the project have suggested, then it should be prepared to consider raising most, if not all, of the money from the market or from its own resources rather than from direct government launch aid.

Mrs Thatcher is said to believe that Britain should be involved in civil aviation production and there seems to be desire among ministers for Britain to be involved in the A-320 in some way, especially as the project will go ahead and be built in other countries whatever the UK does.

Sir Austin Pearce, the British Aerospace chairman, has said the company could raise the money in London but that the interest burden involved would strain resources through the 1980s, when there will be large calls for cash from other projects.

UK-Italy £1bn helicopter accord, Page 20

Britain has £2bn surplus

By Philip Stephens in London

RECORD EXPORTS brought a further strong improvement in Britain's trading performance last month and pushed the current account surplus for the year up to an estimated £2bn ($2.8bn). This was sharply above most forecasts.

The current account surplus rose to £705m in December, its highest level since March of last year, and more than double the £317m recorded the previous month. This increase included a £250m improvement in the balance of trade in oil.

In Whitehall yesterday, the figures were greeted as firm backing for the Government's view that the recovery foreshadows a much improved export performance this year.

The news helped to push share prices to a record level on the London stock market. The FT Industrial ordinary share index closed 15.6 points higher at 840.5 and there were gains for sterling on the foreign exchange markets.

Continued on Page 20

Mercury aims for Europe, U.S. links by satellite

By Guy de Jonquieres in London

MERCURY, Britain's privately-owned communications company, expects to enter the international telecommunications market this year by offering satellite links with the U.S. and continental Europe.

The company says it has signed agreements in principle with half a dozen U.S. communications carriers, including American Telephone and Telegraph, and expects to have transatlantic services operating by this summer.

It is also talking with national telecommunications authorities (PTTs) in several European countries. No firm agreements have yet been reached, but Mercury appears confident that it will be able to establish direct links with them by the end of this year.

Initially, the links will consist only of dedicated leased circuits between specified customers. But Mercury hopes to be able to offer a full switched service, directly connected to public dialled telephone systems, soon after it has installed suitable equipment in its UK network next year.

Mercury's plans pose a challenge to British Telecom, whose largest single profit source is its international services. These generated profit of £208m ($291.7m) last year on revenues of £1.1bn, although only about one tenth of that business came from leased circuits.

Further detailed negotiations will be needed before Mercury can launch its planned international services. But it is already making arrangements with Intelsat, the international organisation which controls transatlantic satellite communications, and says that it has *on-line* agreements with several prospective customers.

Mercury has also booked transmission capacity on France's Telecom 1 satellite and on an Intelsat satellite stationed above the Indian Ocean, which covers an area embracing Western Europe and the Middle East.

It has applied to lease capacity on the next European communications satellite. It may eventually use some of the circuits to distribute programmes to cable television systems in the UK and other parts of Western Europe.

Mercury has two satellite earth station sites in Britain which will be linked to the national telecommunications systems it is building. This will inter-connect with British Telecom's network.

France acts to slow down meat imports

BY DAVID HOUSEGO IN PARIS

THE FRENCH Government yesterday took measures to slow down imports of foreign meat by reducing the number of frontier posts at which live and slaughtered animals can be brought into the country.

The new protectionist move, which comes less than a month after France took over the Presidency of the EEC Council of Ministers, is bound to cause concern among its European Community partners.

The last time France took similar steps to restrict imports was 15 months ago when it ruled that all imported video cassette recorders (VCRs) must clear customs at Poitiers in central France. That requirement was later rescinded.

The decision taken by the Cabinet at its weekly meeting was one of a number of measures designed to help French pig farmers who again yesterday halted rail traffic in much of Brittany and clashed with riot police. It also follows a series of increasingly violent protests by French farmers against cheap meat imports.

M Michel Rocard, the Minister of Agriculture, said that the list of authorised border posts, "henceforth much less numerous," would be released on Friday and become effective then.

The conciliatory gesture to the farmers was accompanied by a strong warning from President François Mitterrand that "violence" was inadmissible.

He also warned them of the dangers of violating EEC rules, saying that overall French farmers benefited from the Common Agricultural Policy, "and their leaders know it."

Some French farmers have been pressing for unilateral action by France to abolish negative monetary compensation amounts (MCAs) – the system of subsidies that now benefit West German and Dutch meat imports into France.

M Rocard justified the reduction in border posts by referring to the need for improved health controls against the foot-and-mouth disease that has struck Dutch pigs.

On Friday, the French Government announced that it was banning all Dutch meat imports. Officials later confirmed that the reduction in the number of customs posts would apply to all meat and not just to pork.

Among other measures to assist the pig farmers, whose "grievances" M Rocard said were "understandable," the Cabinet decided to set up a FFr 100m ($11.6m) fund to help compensate for the effect of price fluctuations.

U.S. plan to curb wine imports, Page 20

Bonn demands steel regime extension

BY JAMES BUCHAN IN BONN

COUNT Otto Lambsdorff, the West German Economics Minister, will go into today's European Community steel council meeting determined to promote an extension of the crisis regime until the end of next year.

Speaking to journalists in Bonn yesterday, Count Lambsdorff said Bonn would oppose efforts by Italy to increase the production quota for its industry by 1.2m tonnes a year over the level agreed last summer. The Italians, who ensured at that time that the regime was extended only to the end of this year, "will probably stage an opera à la Verdi," Count Lambsdorff said. "But Italy is on its own."

On the eve of what might be a hair-raising ministers' meeting, Bonn is acting uncharacteristically toughly in order to protect the German market share of 31 per cent allocated last July and to gain some progress in the awesome task of dismantling state subsidies for European steel.

Count Lambsdorff yesterday repeated the German threat, which Chancellor Helmut Kohl has also made, that Bonn would have no money to spare for community financial reform if a disorderly steel market made inadequate the DM 3bn ($1.06bn) in aid that Bonn and the West German Länder (states) have promised the German producers for cutting overcapacity and for modernisation.

The Economics Ministry will delivered to Brussels by the end of

Continued on Page 20

Hague limits aid to Hoogovens, Page 20

CONTENTS

EUROPEAN NEWS

John Davies in Frankfurt reports on the strong resistance to IG Metall's attempt to cut hours

Shorter working week battle hots up in West Germany

TRADE UNIONS, employers and the Government have been shadow boxing in West Germany for months over demands for a shorter working week. Now, the struggle is beginning in earnest as the threat of strikes moves closer. There is growing concern that the country's moderate recovery may be affected if the issue leads to serious industrial disruption.

IG Metall, West Germany's biggest union, with 2.5m members in the car industry, steelworks, shipyards and engineering plants, has demanded a cut in the working week from 40 to 35 hours as the central plank of its annual negotiations with the employers. It is believed to be willing to compromise on its pay demand of a rise more or less in line with inflation to secure shorter hours.

The union argues that a 35-hour week is necessary to save jobs threatened by technological innovation and to reduce unemployment, now over 2.3m. Although some other unions are lukewarm, IG Metall has won the support of the broad federation of unions, DGB.

Metal industry employers have taken a hard line from the outset, claiming that the union's claim would add 20 per cent to costs, and the Government in Bonn has aroused the ire of unions by coming out bluntly against the demand. Chancellor Helmut Kohl has branded it as "stupid," and Herr Norbert Blüm, the Labour Minister, has sought to divide the unions by launching a rival scheme for state-subsidised early retirement.

Economic experts have argued against the introduction of a 35-hour week on the grounds that it would hamper recovery and increase unemployment. Taking account of public holidays and annual leave, West Germans already work fewer hours than employees in the UK, France, the U.S. and, particularly, Japan, they say.

IG Metall has come under heavy pressure not to endanger West Germany's climate of industrial peace, especially when the recovery is still delicate. But a strike may be unavoidable.

IG Metall has been building up its campaign for months and cannot easily change course. It has also had a change of leadership, and the 35-hour week will be the first test for Herr Hans Mayr, the long-term deputy president, who took over the top job last autumn.

Herr Mayr is a master of tactical manoeuvring, sharpened over 20 years on the union's top council, and is likely to press the union's demand forcefully.

Herr Franz Steinkühler, a young militant regional official who is his deputy is well placed to take over the top job when Herr Mayr retires in less than three years. He is in a more comfortable position over the present conflict as he bears less responsibility for its outcome. But temperament and tactics will lead him to back a strong line.

Union officials believe that the employers are refusing to make any concessions on working hours to test the resolve of the union. Employers have made great play of opinion polls suggesting that those on the factory floor are unenthusiastic about shorter hours and loath to go on strike.

The conflict will come to a climax when the legally-required period of peace after termination of a labour contract runs out at the end of February. If there is no agreement or sign of serious compromise by then, the union will feel itself challenged to take action.

Although there are fears of a major all-out strike, IG Metall has in recent years preferred to select targets likely to yield to pressure — perhaps motor manufacturers. The union claims that many metal employers, including car makers, have been building up stocks and deliveries to customers as a precaution.

Parallels have been drawn with the six-week steel strike of 1978-79, when IG Metall spent DM 60m (£15m) on strike pay and the Baden-Württemberg metal industry strike in 1978, which cost the union DM 90m.

This time the union says it has built up DM 400m in strike funds during the last three years, which, together with other funds, makes a "war-chest" of about DM 1bn.

IG Metall is also hoping that other unions will stage sympathy strikes—possibly brief—to help influence public opinion.

There are some prospects for a deal. IG Metall is evidently willing to make a concession on pay to gain a 35-hour week. It may also be content with an agreement to introduce a 35-hour week in easy stages.

A procedure for reaching a compromise is in the back of many people's minds, under which both sides could ask for arbitrators to be appointed to propose a settlement. This might restore industrial peace and save everyone's face, but in the meantime a trial of strength is on the agenda.

Early retirement law to be enacted by spring

BY RUPERT CORNWELL IN BONN

ITS MIND concentrated by the intensifying battle over the introduction of a 35-hour working week, the Bonn Government aims to have its draft law for early retirement, ratified by the cabinet just before Christmas, on the statute book by the spring.

The measures drawn up by Herr Norbert Bluem, the Labour Minister, basically permit workers to retire at 59, instead of between 60 and 63 years as at present.

For its part, the Government, through the Federal Labour Office, will assume 40 per cent of the extra cost that would arise to the employer from the earlier pension—as long as the job which becomes vacant is filled by someone previously unemployed, or a first time job-seeker.

The scheme will run for five years, long enough the Government believes for the demographic pressures which have contributed to the present bulge in unemployment to ease off.

Around 770,000 people will be eligible to take advantage of the scheme this year, a figure that will rise to 840,000 in 1988, the last year of its application. Assuming that the scheme finds favour, the authorities in Bonn reckon that more than half a million people may have left employment early by 1988.

The calculation is that roughly half these jobs will be kept open, thus taking 250,000 people or more out of the dole queues.

The scheme will not be cheap—though far less costly in the Government's eyes than the 35-hour week would be. According to the Labour Ministry, every 100,000 people who retire at 59 will cost the state an extra DM 560m (£140m), even when the costs of unemployment benefits that would otherwise have been paid are deducted.

The arrangement has been tailored to ensure that the net income of early retirers is around 70 per cent (or possibly more, if employer and departing employee so agree) of the last paid salary. But, even assuming success, the dent in total West German unemployment, now standing at some 2.2m, or 9 per cent of the workforce, will be small.


Herr Bluem (right): measures drawn up

Irish budget pins hopes on economic recovery this year

BY BRENDAN KEENAN IN DUBLIN

THE IRISH budget, presented yesterday, was broadly neutral in its impact on the level of government expenditure in anticipation of an improved performance by the economy this year. Mr Alan Dukes, the Finance Minister, admitted that this policy involved some risk and it might prove necessary, depending on circumstances, to adopt more respective policies in 1985 and beyond.


Mr Dukes . . . public sector pay freeze

Mr Dukes said the Government would be seeking a pay freeze in the public sector this year and suggested that employers and unions in the private sector should consider a similar arrangement.

The changes in income tax bands and allowances mean a small reduction – about 3.5 per cent – in total income tax payments, with lower income groups benefitting proportionately more. The overall effect of direct and indirect tax changes should be a 1 per cent increase in the total tax raised by the Government.

Spirits escaped a tax increase this year, largely because of the impact of purchases and smuggling from Northern Ireland. Beer goes up 2p (Irish) per pint; cigarettes by 10p for 20 and petrol by 6p per gallon.

The budget arithmetic will give an Exchequer borrowing requirement this year of I£1.9bn (£1.49bn), about 12.75 per cent of gross national product. This compares with a 1983 figure of 14 per cent of GNP and in the context of a projected growth in the Irish economy this year of more than 2 per cent.

Among the major tax changes were the imposition of VAT on clothing at a rate of 8 per cent. Children's clothing will be exempt, an announcement which brought jeers from opposition MPs who recalled that it was the proopsed imposition of VAT on children's clothes which brought down Dr Garrett FitzGerald's previous administration in 1981.

The Government intends abolishing tax-based lending by financial institutions to industry. In the past, institutions could reduce their tax charge by such lending. There will also be restrictions on the leasing of plant and equipment by financial institutions.

The levy on Irish banks will remain at I£25m this year but Mr Dukes promised to reduce it as their tax charges increase.

Industry will also be disappointed that advanced corporation tax is being retained, despite strong representations. Its introduction last year increased the tax bill for companies which had invested, but the transitional period during which 50 per cent of the full rate applies will be extended to the end of the year.

Stock relief is being improved with the abolition of a "clawback" and income tax relief will be allowed on long-term risk capital invested in industry. Mr Dukes is abolishing the system known as "bond washing" and there will be restrictions on family trusts to prevent them being used to avoid capital acquisitions tax on death.

W. German inquiry into spy agency

By Rupert Cornwell in Bonn

THE WEST GERMAN Government yesterday set up a commission of three independent experts to investigate the MAD, the defence intelligence agency whose already dubious reputation has been further tarnished by its performance in the Kiessling affair.

The team nominated by Herr Manfred Wörner, Defence Minister, is headed by Herr Hermann Höcherl, a former Interior Minister. Its other two members are a former chief of staff of the country's armed forces, and a former judge of the constitutional court.

News of the investigation of the MAD came on the eve of the first session of the all-party committee of MPs, itself set up only last Friday to investigate the background to the controversial dismissal of General Gunter Kiessling from his post as deputy supreme commander of Nato forces in Europe.

Yesterday's move is a further sign of the Government's intention of deflecting criticism of its handling of the Kiessling affair away from the beleaguered Defence Minister – onto the obvious target of the MAD.

Official spokesmen have already publicly questioned the quality of the evidence assembled by the agency that the General had homosexual leanings, and was thus a security risk.

However the MAD's controversial track record extends back a while. In recent years two of its chiefs have been dismissed.

Sweden plans to step up spending on defence

BY KEVIN DONE, NORDIC CORRESPONDENT IN STOCKHOLM

SWEDEN'S minority Social Democratic Government is seeking to push through further tax increases in order to pump an extra SKr 1.2bn (£105m) into defence spending over the next four years to compensate in part for the drastic fall in the armed forces' purchasing power.

It is aiming to raise the duty on petrol to finance both the increase in defence spending and a SKr 300m rise in foreign aid.

The defence budget has been thrown into disarray by the surge in the value of the U.S. dollar, the devaluation of the krona and the determination of the Government to give only 4 per cent rise in spending to compensate for inflation this year. About two-thirds of the armed forces' foreign equipment purchases are made in the U.S.

They claim that their purchasing power has been cut by around SKr 5bn over the years 1984-89. They are unable to met their commitments under the last defence review of 1982 and several areas of operations are threatened by drastic cuts, particularly air defence.

Three of 11 fighter squadrons could well be scrapped if more money is not made available. This would reduce the country's air cover by around a quarter, making it no longer possible to cover the whole country.

The non-Socialist parties are pushing fo ra bigger rise in defence spending to be financed through expenditure cuts in other areas. The Government neds to reach some compromise with the opposition soon if it is to be able to present a modified defence budget on schedule on March 10.

In a package of mini-budget measures last autumn aimed at cutting state expenditure and increasing taxes, the Government said it intended to freeze foreign aid in 1984 at the 1983 level.

The foreign aid cuts have run into severe criticism from within the ranks of the Social Democratic Party as well as from some of the opposition parties, however.

A less vitriolic Andropov

BY ANTHONY ROBINSON IN LONDON

WHEN President Ronald Reagan announced the U.S. desire for "a constructive and realistic working relationship with the Soviet Union" in his televised speech on the eve of the European disarmament conference in Stockholm, he added "we insist that our negotiations deal with real problems not atmospherics."

But atmospherics are also important in international relations, and especially those between two superpowers whose mutual suspicion and public antagonism has reached new heights over the three years of the Reagan administration.

Ten days after Mr Reagan's speech, and a week after the five-hour meeting at the Soviet Embassy in Stockholm between Mr Andrei Gromyko, the Soviet Foreign Minister, and Mr George Shultz, the U.S. Secretary of State, Mr Yuri Andropov, the Soviet President has revealed through a Pravda "interview" that the atmospherics of U.S.-Soviet relations are better now than 10 days ago.

Compared with the tone and content of Mr Gromyko's conference speech in Stockholm, with its reference to "maniacal" U.S. nuclear war scenarios, or Mr Andropov's November statement when he indicated that the Kremlin had given up all hope of being able to deal with the White House, the Pravda interview is markedly less vitriolic.

This does not mean that polemics have ended. On the contrary Mr Andropov blamed the American side for breaking up "with its own hands" the intermediate nuclear force (INF) talks in Geneva. He also said that President Reagan's speech "does not contain a single new idea" and asserted that "the American leadership ... has not given up its intentions to conduct talks with us from positions of strength, from positions of threat and pressure."

The public positions of the two sides, and their respective conceptions of the world, are clearly still wide apart. But, and it is a big but, Mr Andropov followed these remarks with a clear indication that the Soviet Union is also anxious to explore the possibility of a more fruitful dialogue, albeit with deep reservations about U.S. good faith.

"The Soviet leadership is convinced that there exist possibilities for a serious discussion of a number of problems, the solution of which would undoubtedly improve the situation in the world and Soviet-American relations", he said. The world has not heard words like these from Mr Andropov for many months.

But he laid down clear pre-conditions. Above all, he declared that the U.S. should give up its attempts to impose what Mr Andropov termed "power diplomacy" or what President Reagan described in his speech as an approach "based on three guiding principles – realism, strength and dialogue."

It is the emphasis on "strength" which sticks in the Soviet throat. What the Soviet leadership wants is recognition that U.S.-Soviet talks, on nuclear arms control and other issues, should be based on the principles of equality and on what Mr Andropov described as "a constructive, mutually acceptable basis."

This is not the Soviet perception of how Washington sees the ideal negotiating position as described by President Reagan. Moscow's understanding of President Reagan's speech is that the U.S. believes it is able to dictate terms to Moscow, having spent the past three years building up U.S. military power, strengthening the economy and relations with its allies – not only Nato but also Japan and China – and rebuilding the self confidence sorely tested by, among other events, the Vietnam trauma and the debacle in Iran.

In his first year in power Mr Andropov, although ill and out of sight for over five months, has shown his own awareness of Soviet economic, political and military deficiencies and a determination to tackle them.

Improved relations with the U.S. and the West, leading to a reduced military burden and the avoidance of another expensive round of the arms race in outer space, would greatly facilitate the enormous tasks of internal change.

FINANCIAL Times, USPS No 190640, published daily except Sundays and holidays. U.S. subscription rates $420.00 per annum. Second class postage paid at New York NY and at additional mailing offices. POSTMASTER, send address changes to: FINANCIAL TIMES, 14 East 60th Street, New York, NY 10022.

OVERSEAS NEWS

U.S. sends Crocker to S. Africa for talks on Namibia

BY J. D. F. JONES IN JOHANNESBURG

THE U.S. is still trying to bring South Africa and Angola to a cease-fire in the Namibian border war, despite continuing public disagreement between the two parties over a withdrawal of Cuban forces from Angola.

Mr Chester Crocker, U.S. Assistant Secretary of State for African Affairs, arrives in Cape Town tomorrow for talks with Mr Pik Botha, the South African Foreign Minister.

The visit follows mysterious meetings in Cape Verde over the past 10 days involving U.S., Angolan and Portuguese diplomats and also a senior South African representative, although it is being said that the Angolans and the South Africans did not meet directly.

The background to this resumption of the tortuous and long-running diplomatic search for a Namibian settlement is an offer by Pretoria of a cease-fire in southern Angola for a trial month in February.

The Angolan Government quickly accepted this, but laid down the important condition that South Africa start implementing the UN plan for Namibian independence.

In turn, Mr Botha last week rejected the Angolan position and accused Luanda of not being interested in his offer which, he said, was "a reasonable test to see if the Angola Government is genuinely interested in peace."

Despite this public exchange, Mr Crocker and his colleagues have continued their mediation efforts, with the help of Cape Verde and Portugal.

Mr Crocker, who is starting a two-week tour of Southern Africa and Europe, will presumably be able to tell Mr Botha—whom he last met in Rome in December — of the Angolan Government's private wishes. The talks are expected to last until Saturday.

Rebels in Chad shoot down French Jaguar

BY DAVID MARSH IN PARIS

A FRENCH Jaguar fighter-bomber has been shot down by Libyan-backed rebels in Chad trying to advance into the government-held south of the central African country.

The loss of the aircraft, accompanying a rebel attempt to breach Chad's French-defended East-West peace demarcation line, represents France's first big setback since it started military operations five months ago, to aid the embattled Chad Government.

A communiqué from the Ministry of Defence, in Paris last night said the plane was shot down on Tuesday. It was hit by a ground-to-air missile during a French riposte against a rebel armoured column advancing southwards towards the capital N'Djamena.

The pilot, who tried to escape by ejecting from the aircraft, was killed. The Ministry added that the French counter-attack succeeded in destroying "several" enemy vehicles.

The shooting down which accompanied news that two Belgian doctors in Chad had been captured by rebel troops during another incursion southwards, may mark a new Libyan-backed military initiative after months of uneasy calm in the country.

It comes shortly after the collapse of pan-African peace-keeping talks on Chad in the Ethiopian capital of Addis Ababa earlier this month.

General Jean Poli, the French soldier commanding the roughly 2,000 to 3,000 troops who have been in Chad since August, told French journalists this month that the North of the country was "on the way to being annexed" by Libya.

France's first acknowledged casualty in the Chad conflict, together with the rebel move across the "peace line" between Salal and Arada, seems likely to focus French public opinion once again on the country's military presence in the country.

Tanzania in talks on $250m IMF loan

By Brian Pearson, Recently in Dar es Salaam

TALKS critical to Tanzania's economic future began in Dar es Salaam this week between government officials and a visiting team from the International Monetary Fund (IMF) on a $250m three-year stand-by facility.

The country is in the midst of its most serious economic crisis since independence, short of basic commodities including petrol, foreign exchange reserves are nearly exhausted, and industry is running at barely a quarter of capacity.

Negotiations with the IMF, which first began in 1980, have taken on a special significance for the rest of Africa. President Julius Nyerere has been one of the continent's most articulate and outspoken critics of the Fund, arguing that loan conditions should be more flexible.

An agreement in September 1980 on a SDR 179.6m facility (£133m) proved short-lived because Tanzania failed to meet the terms, which included a package of austerity measures and a substantial devaluation. The agreement was suspended after the first tranche of SDR 25m.

Although not specifically tied to a successful fulfilment of the IMF terms, the collapse of the agreement also led to the suspension of a three-year $50-70m World Bank loan.

The government, however, has recognised the need for substantial economic reforms, and in August 1982 published its own Structural Adjustment Programme (SAP) which drew heavily on IMF and World Bank advice.

The SAP, which has its own secretariat, has led to a series of measures, including lifting of price controls on many items, a reduction of food subsidies, and wide ranging reforms of the agriculture sector.

At the same time, the value of the shilling has been slowly adjusted over the past two years amounting to an effective devaluation of 30 per cent.

Whether the IMF believes that the government has gone far enough remains to be seen. Mr Peter Ngumbullu, director of the SAP, believes that it has. "Tremendous progress has been achieved towards streamlining the economy," he says, but adds: "There is a limit to what is politically and economically acceptable."

Without a substantial injection of funds, the SAP will be in jeopardy. The rehabilitation programme covering the cash crops which provide almost all Tanzania's export earnings—cashewnuts coffee, cotton, pyrethrum, tea, tobacco, sisal and cocoa—requires a further $150m to cover medium- and long-term inputs, while a further $30m is needed immediately for repairs of tractors immobilised by the lack of spares.

At the same time, the government has been trying to persuade aid donors to switch at least $86m a year from project aid to balance of payments support.

Thus the Tanzanian Government appears to be facing an agonising decision. Either it swallows its pride and accepts IMF terms—which include a substantial devaluation, or opts for "kujitegemea," the Swahili term for self-reliance, but which in practice will mean even fewer goods on the shelves.

Shamir rejects Kohl plea for peace plan

By David Lennon in Tel Aviv

ISRAEL yesterday rejected a call by West German Chancellor Helmut Kohl to recognise the Palestinians' right to self-determination and for a revival of the EEC peace plan as set out in the Venice Declaration of 1980.

Mr Yitzak Shamir, Israel's Prime Minister, told Herr Kohl on the second day of his state visit, that Israel regards the Camp David accords of 1978 as the only framework for the peace process and that Israel regards all other ideas as one-sided.

The controversial issue of possible West German arms sales to Saudi Arabia was not discussed by the two leaders at their morning meeting. But the issue was raised by a group of Israeli parliamentarians when they met the Chancellor in the Knesset.

The Knesset yesterday held a stormy debate on an opposition no confidence motion in the government. The coalition defeated the motion by 62 votes to 56.

● An Israeli oil company said yesterday it had discovered commercially exploitable quantities of oil near Arad, at the southern end of the Dead Sea.

This is the first such discovery in Israeli territory for decades. The Yoel company informed the stock exchange that its well, Gurim 4, could produce more than 100 barrels a day from the field

Steady U.S. recovery brings relief across the Pacific, reports **Jurek Martin**

Japan's economists prepare to do nothing

The Japanese Government last night finally agreed to spend Yen 2.93 trillion (million million) on defence in the fiscal year beginning in April, writes our Far East Editor.

The significance of this sum lies in two percentages. First, it is 6.55 per cent more than is being spent in the current fiscal year, which in turn was 6.5 per cent above the disbursement of fiscal 1982.

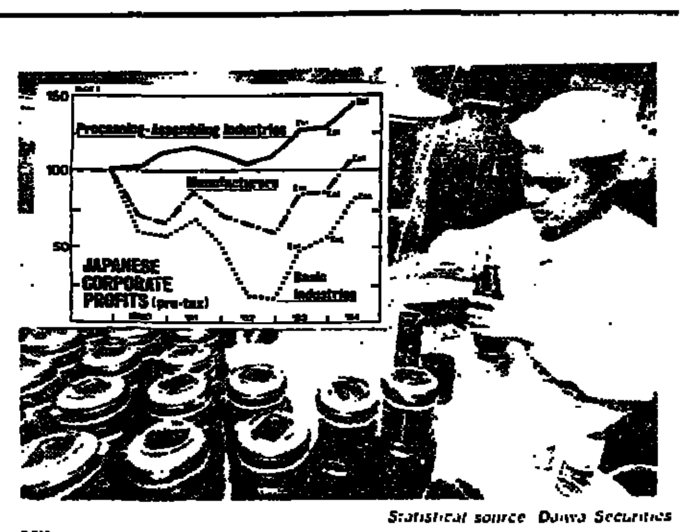
This, the Japanese Government hopes, will strengthen the hand of Mr Shintaro Abe, the Foreign Minister, who leaves for Washington tomorrow, by making it possible for him to claim that the rate of increase in defence spending is not being decelerated.

The second important number is that, according to Ministry of Finance figures, defence spending should account for 0.991 per cent of gross national product, theoretically under the 1 per cent ceiling, the breaking of which would lead to political controversy.

Agencies add: Japan will take steps to promote imports and foreign investment in fiscal 1984, including the extension of low-interest loans to importers and wholesalers of manufactured products, the government said yesterday.

The Ministry of International Trade and Industry said such *financing will be provided by the Japan Development Bank to* ease the burden of importers and wholesalers when they establish facilities for inspection, distribution and after-sales service of manufactured products.

Additionally, the country will offer loans to companies with foreign equity stakes of at least 50 per cent to facilitate their penetration of the Japanese market, the Ministry said.



Statistical source Daiwa Securities

Nikon camera lens assembly in Japan: processing and assembly industries have enjoyed rising profits in recent years.

THE GOOD and bad news for the Japanese economy often comes from across the Pacific Ocean. Thus there was a gentle sigh of relief in Tokyo last week when it was announced in Washington that real U.S. growth in the final quarter of last year had settled down to a steady and perhaps sustainable. 4.5 per cent a year.

Had it remained at the more frenetic levels of the two previous quarters then the niggling concern that the U.S. recovery would come to an abrupt halt about the middle of the year, with an inevitable backlash on Japan, would have become more substantial.

The relief is understandable, for the practitioners of fiscal and monetary policy in Japan do not want to be asked too many awkward questions this year. If the economy lives up to the expectations of both public and private forecasters, they will be able to get away with doing precisely what they want to *do*—*nothing*—while things get better of their own accord.

The principal economic policy problem confronting Japan in 1984 is a by-product of its own success. The surpluses on both trade and current account have, as Mr Haruo Maekawa, Governor of the Bank of Japan, noted last week, already assumed embarrassing proportions.

Some private forecasters believe that the Government's estimates—a $34bn trade surplus and a $23bn current account surplus in the fiscal year starting in April, both little changed from the current year — are too cautious, especially if trade volume expands by anything like the anticipated 4-5 per cent; the scepticism over the official estimates is not surprising since a year ago the government projected a current account surplus of only $9bn.

Although the yen strengthened considerably in 1983 against all major foreign currencies except the U.S. dollar (20 per cent against the French franc, 14.6 per cent against sterling, 13.9 per cent against the D-mark), stable domestic prices seem to have helped preserve Japan's competitive edge in world markets.

The yen rose by a slight 1.2 per cent against the dollar last year but it is widely felt that further advances here would not harm Japan's exporters much, even though about two-thirds of their foreign sales are priced in dollars. A stronger yen would at least meet one perennial Washington complaint.

If the surpluses continue to rise, Japan may have difficulty convincing its international trading partners that its own economic revival is not riding on the back of an export wave and continued discrimination against imports. The Government's prediction that imports will grow by 8.8 per cent, a faster rate than its 6.8 per cent forecast for export growth because of more vigorous domestic demand and in spite of reduced oil purchases, had better be right.

The Government is by no means alone, however, in contending that the real story of the Japanese economy in 1984 will be the solid recovery in domestic demand. Officially, of the 4.1 per cent real growth in GNP, 3.6 percentage points is expected to be accounted for internally and 0.5 percentage points from foreign trade, compared with 2.2 and 1.2 respectively in the 3.4 per cent expansion achieved in the current fiscal year. Private forecasts tend to be a little more bullish.

Personal spending is likely to rise by over 4 per cent and personal income by over 6 per cent; the savings ratio appears to have stabilised at a little over 17 per cent; recent evidence suggests increased demand for consumer durables, which may give importers some cause for optimism. With consumer prices likely to go up by less than 3 per cent (2.8 per cent according to the Government), the foundations for sustained demand appear quite solid.

Corporate capital investment seems set to increase by at least 6 per cent, which would be the best performance in five years. Again, the trend has been evident for some months, but particularly noteworthy in an economy containing 4m small businesses, is that the smaller- and medium-sized concerns which had been genuinely hurt by high real interest rates have recovered their investment confidence. They may have earmarked about 12 per cent more in capital spending in the current fiscal year compared with 1982, with most of it concentrated in the past six months.

Japanese companies are currently in the middle of a half-year profits boom, after turning in some miserable results in 1982 and the first half of 1983. The average forecast of the four leading brokerage houses is that recurring profits will go up by 30.2 per cent in the half year ending in March, then flatten out.

This will produce a fiscal 1984 profits growth of 26 per cent, against an estimated 9.8 per cent increase in the current fiscal year and a 7.9 per cent decline in fiscal 1982.

Nomura Securities, in its annual industrial outlook, can find only two major sectors — public works construction and the scandal-plagued pharmaceutical industry — for whom 1984 promises to be less than therapeutic.

The adjective "kibishi" (severe) has suddenly disappeared from the Japanese vocabulary, at least as far the economy is concerned. The U.S. however, retains the power to reintroduce it.

AMERICAN NEWS

Craxi set to act as mediator in Falklands dispute

BY JIMMY BURNS IN BUENOS AIRES AND ROBERT GRAHAM IN LONDON

SR BETTINO CRAXI, the Italian Prime Minister, is today likely to act as mediator in a bid to resume commercial and diplomatic relations between Britain and Argentina.

Sr Craxi is expected to pass on a message about the Falklands from the Argentine Government when he meets Mrs Margaret Thatcher, British Prime Minister, in Rome today.

The involvement of Sr Craxi was discussed on Tuesday when the Italian Premier met Sr Dante Caputo, Argentina's Foreign Minister, in Rome.

The Foreign Office was yesterday cautious about the participation of Sr Craxi in any mediating or messenger role. However, a spokesman said that Falklands would be one of the topics likely to be raised by Mrs Thatcher, who will be in Rome for two days as a part of a regular round of consultations with EEC leaders.

At the time of President Raul Alfonsin's inauguration in December, Sr Craxi announced that he had brought a message from Mrs Thatcher to the new Argentine President. This caused some embarrassment as Britain, since the Falklands conflict, has preferred in public to deal with Argentina via the Swiss, who are loking after Britain's diplomatic interests.

Reports that Sr Craxi had been asked to become involved in normalising relations between Argentina and Britain were published yesterday in the Buenos Aires Press, based on officials accompanying Sr Caputo. The Alfonsin Government is anxious to establish a momentum in efforts to normalise relations with Britain. Success in this would give a major boost to the new Government's prestige in dealing with delicate domestic issues such as the handling of the military and unpopular measures tackling the economy.

In the past week the Argentine Government has indicated it was preparing a new initiative to speed up the resumption of commercial and diplomatic links with Britain. This coincides with recent visits to the islands by Mr Michael Heseltine, the British Defence Minister, and Baroness Young, Minister of State at the Foreign Office.

One of the problems of dealing with Argentina via the Swiss is speed. Communications between the Swiss embassy in Buenos Aires and London are understood to take a minimum of 24 hours. However, the Foreign Office yesterday said that Britain still preferred to deal via the Swiss since this was the normal diplomatic channel. Sr Craxi earned Mrs Thatcher's displeasure during the Falklands conflict by backing Argentina. He is since reported to have gone a long way to make amends for this stance.

Reginald Dale looks at the chances of Jesse Jackson, black Presidential contender

Long shot candidate that the Democratic Party can't ignore

THERE ARE two types of contender for this year's Democratic Presidential nomination, says the Rev Jesse Jackson: "The long shots and the big shots." He readily admits, as the only black in an all-male field of eight, that he is one of the long shots.

The 42-year-old Mr Jackson, formerly best known as a Chicago-based civil rights activist, speaks with some bitterness. He believes that the rules of the Democratic Party's selection process have heavily contributed to this state of affairs. The rules, he said this week, are "stacked for the big shots."

In the past two weeks, Mr Jackson's fortunes have swung from public acclamation for his rescue of a captured American airman from Syria to rejection at the hands of the Democratic National Committee, where he failed last Friday to get the rules changed.

The odds had always been against Mr Jackson's last minute demand. The rules were deliberately altered in 1982 by party stalwarts (including former Vice-President Walter Mondale, now the leading "big shot") to make the race more difficult for outsiders. The party establishment was not pleased with the success of earlier "long shots" like Mr Jimmy Carter, or Mr George McGovern before him, in carrying off the nomination.

What particularly irks Mr Jackson is the rule that a candidate must reach a 20 per cent "threshold" of primary votes before qualifying for a proportional share of a state's delegates to the national convention. This, Mr Jackson argues, effectively disenfranchises blacks and other minorities in many states.

Although Mr Mondale, in a bid for peace, changed tack and backed Mr Jackson's demand for a 10 per cent threshold, the Committee declined to open the Pandora's box of rule changes. Mr Jackson then snubbed the committee and there was bad feeling all round.

Mr Jackson may still embarrass the Democrats by taking the fight to the courts or even to the floor of the convention, to be held in San Francisco in July. But he has stopped short of fulfilling the party's worst fears, which were that he would run as an independent. "I would rather, in the face of it all, have a broken heart than a broken party," he said.

He is not totally averse to his underdog role, however, and by Tuesday, in a major speech at Washington's Georgetown University, he was back on his old extrovert form. The predominantly white, middle-class students presented him, to warm applause, with a special plaque testifying to his "dedication to humanitarian values" in retrieving Lt Robert Goodman from his Syrian jail.

The Syrian mission is widely credited with helping him come a creditable third behind Mr Mondale and Senator John Glen of Ohio in a poll of Democratic voters last week. His share of the vote jumped from 9 to 15 per cent. Yesterday another national poll put him equal second with Mr Glenn at 14 per cent, with Mr Mondale streets ahead at 44 per cent.

Mr Jackson's smoothly delivered speech went down well with the 700-or-so students. He persuaded a good 40 of them to "come on down" to the podium and sign voter registration forms, and another dozen stood up to volunteer as campaign workers. But some of the blacks in the audience clearly regarded themselves as too sophisticated for Mr Jackson's Baptist preacher oratory—many black leaders regard Mr Jackson as a self-seeking opportunist, and would prefer a liberal white like Mr Mondale who has more chance of actually beating Mr Reagan.

Mr Jackson urged his young listeners to use their votes rather than follow the path of "drugs, dropping out or bloody revolution." He is greatly attached to slogans: "The human race over the nuclear race," "democracy not technocracy," "justice at home, peace abroad," "jobs not jail." He claims that it costs six or seven times more to keep a person in prison for three or four years than to finance a university education.

He wants a "new direction" for the country that will give the poor and the underprivileged an equal say, he thinks a woman should run for President.

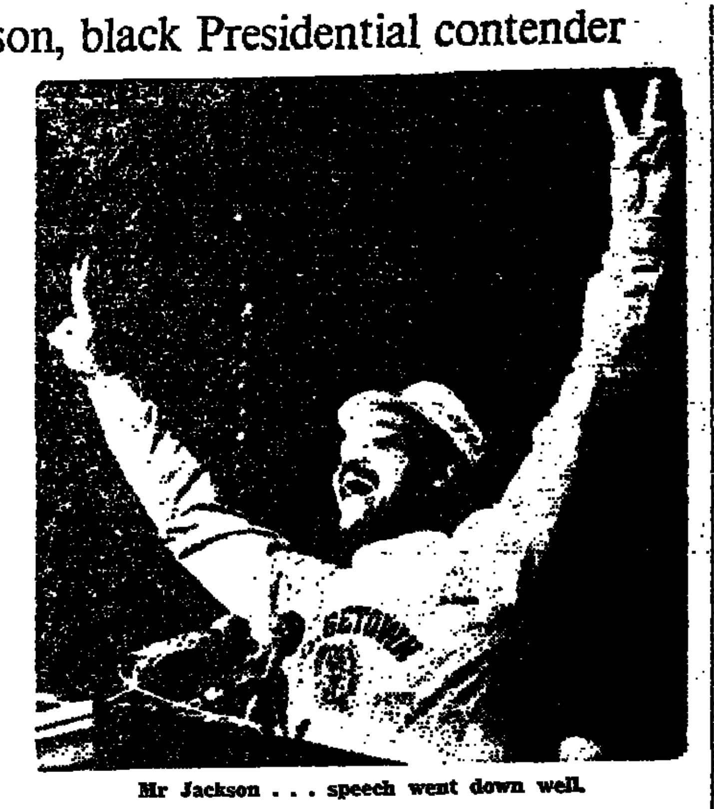
He also wants to cut wasteful defence spending practices, "invisible," he says, have led the Pentagon to spend as much as $439 on a hammer and $3,000 on a loveseat for a naval officer's mess.

He is devoted to puns: the Administration's payment-in-kind (Pik) farm support system is "a Pik programme for the rich and a pickpocket programme for the poor." He chastises the "Civil Wrongs Office" of the iniquitous "Just Ice" Department.

Mr Jackson is a patriot and an idealist. He would like to see America dominate the world, not by force of arms but by the talents and education of its people. "The world will be ruled by those with the most developed minds," he says. But he also believes in a fortress U.S. that would retreat from its current international responsibilities by withdrawing its troops from Europe and keeping out Japanese imports.

There are honest themes, but no real platform behind his often hollow rhetoric. He knows he will not become President, though he will almost certainly become the country's best-known black politician. His following is mainly but by no means exclusively, black and liberal whites are now beginning to latch on to what they see as his moral vision, a quality less obvious in the other contenders.

The biggest service he can probably do the Democrats—apart from enlivening a dull campaign—is to help bring out the 11.5m black voters who represent over 10 per cent of the national electorate, and mobilise as many as possible of the additional 6m still unregistered. Long shot he may be, but it is not in the interests of the Democratic Party, or of Mr Mondale to ignore Mr Jackson.



Mr Jackson . . . speech went down well.

Plan to sell U.S. missiles to Jordan

By Reginald Dale, U.S. Editor, in Washington

CONTROVERSIAL plans to sell shoulder-fired Stinger anti-aircraft missiles to Jordan, will be notified soon to Congress by the Reagan Administration. The deal would be worth between $30m and $40m, U.S. officials said yesterday.

The move is expected to meet strong opposition both from Israel and the Israeli lobby on Capitol Hill, which have previously prevented sales of advanced weapons to Jordan.

U.S. officials yesterday said that the Stinger is much less sophisticated than the mobile Hawk anti-aircraft missile that the Jordanians have been seeking along with advanced F-16 fighters. Both of these requests have been blocked by Congressional and Israeli opposition.

The 34-lb supersonic Stinger, in use with the U.S. army and Marines since 1981, has a range of 3.1 miles and can climb 2.9 miles, according to the Pentagon. It has an infra-red heat-seeking warhead and is most effective against low-flying aircraft and helicopters.

The proposed Stinger sale is said by officials to be a regular arms deal and separate from earlier secret Administration plans to equip Jordan with a modern "rapid deployment force" to rush to Middle East trouble, spots at an initial cost of up to $220m this year.

The plans were shelved after a Congressional outcry when they became public in the autumn, although the Administration is still believed to favour the idea.

Stingers were reported to be among the equipment originally planned for the deployment force, along with anti-tank weapons, tank-supported bridge-laying equipment, additional C-130 military transport aircraft and satellite communications equipment.

Stinger missiles have also been despatched to U.S. Navy ships off the Lebanese coast in the last few weeks as part of stepped up U.S. precautions against terrorist attacks from the air.

Pentagon officials said that most of the fleet's amphibious ships and several destroyers and frigates not already armed with surface-to-air missiles have received the Stingers.

The precautions follow persistent reports from the Middle East that Iranian-backed terrorists may be planning Kamikaze-style attacks against the 17-ship force off Lebanon.

Argentina announces plan to revitalise economy

ARGENTINA'S NEW civilian Government has announced an economic plan aimed at reducing the country's 433 per cent inflation rate and reactivating the depressed economy.

The Government plans to sharply reduce interest rates, raise real salaries by 6 per cent to 8 per cent, and achieve 5 per cent economic growth in 1984, according to an economic statement issued on Tuesday night.

The 46-day-old administration of President Raul Alfonsin has been under fire from opposition politicians, who have accused the Government of lacking a coherent long-term economic plan.

The 30-page statement said the Government had a strategy to reverse what it called the irrational economic policies of the former military government by reviving idle industrial capacity and boosting employment.

Costa Rica says IMF deadline will be missed

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

COSTA RICA has told its international bank creditors that delays in enacting a budget for 1984 mean it cannot comply with its end-January deadline for negotiating an economic programme with the International Monetary Fund.

The deadline is a condition written into last year's pact with the banks whereby they agreed to reschedule $630m of debt falling due up to the end of this year. Without the IMF agreement, Costa Rica will be technically in default on its rescheduling.

As a result, Bank of America, which is agent for the rescheduling, has asked the country's 220 creditors to give the country until the end of April to negotiate its programme so that it can be ratified by the IMF's board before the end of June.

Costa Rica has to enact its budget, which will involve cutting its budget deficit by Colons 3bn ($70m), before the IMF will send a mission to San Jose to negotiate a new economic agreement. Sr Frederico Vargas, Minister of Finance, has told the banks he expects the budget to be passed by mid-February.

He said that Costa Rica's economic siutation improved last year with inflation dropping to less than 10 per cent from more than 80 per cent in 1982. By the end of December, Costa Rica was also up to date with all interest payments on its commercial bank debt, he added.

In two separate developments yesterday, an IMF mission arrived in Chile to negotiate an economic programme for 1984, while Venezuela's leading creditor banks have agreed to a further three month freeze of principal repayments on the country's public sector foreign debt.

The freeze was negotiated during talks in New York between the banks and Sr Arturo Sosa, the outgoing Finance Minister. Few bankers expect, however, that the new administration, which takes office next month, will be able to complete rescheduling negotiations by the time the freeze expires. A further three-month extension is generally regarded as inevitable.

WORLD TRADE NEWS

Belgian bus-maker is front-runner in bid for £375m Thai order

BY PAUL CHEESERIGHT IN BRUSSELS

VAN HOOL and Zoon, the family-owned Belgian bus manufacturer, has emerged as the front-runner to supply Thailand with buses transport equipment and technical expertise in a 10-year contract with a value of about BFr 30bn (£375m).

The Bangkok Mass Transit Authority is seeking 5,000 buses, equipment such as traffic control systems and maintenance depots and an extensive training programme for local personnel. The package represents one of the biggest single public transport demands of recent years.

The total technical package offered by the Belgian company is accepted by the Thai Transport Ministry as being the best solution to its problems. Van Hool said yesterday that it is waiting for full Government approval.

But what the Government will do is uncertain, it noted. Full Cabinet approval is necessary before it can enter detailed financial negotiations.

Van Hool conceded that prices from the major competitor for the contract whom it refused to name, are lower. It expects a final decision within the next two months.

The final financial arrangement is expected to embrace a soft loan from the Belgian to the Thai Government in addition to normal export credits from the banking system.

The buses would be delivered at the rate of 500 a year over 10 years. During this time the contract-winner would be helping the Thais with their running and maintenance in an advisory capacity.

The order would be a considerable boost to the Belgian company which in its latest financial statement for 1982 reported that profits at BFrs 23.8m represented only 0.5 per cent of sales.

But Van Hool stressed yesterday that the magnitude of the potential order would not cause it production problems and no new investment would be needed. At present it is manufacturing below its capacity of 1,300-1,400 buses a year.

In the normal course of events it can expect orders from the Belgian authorities for about 300 a year. But these orders dried up as public sector retrenchment programme took effect last year.

It has sought to fill the hole in its order book by a renewed concentration on exports so that it is now selling, for example, about 300 buses a year in the UK.

Decision on Nissan's UK plant delayed

By Jurek Martin in Tokyo

NISSAN WILL take no decision on producing cars in the U.S. until it makes up its mind whether or not to invest in Britain.

Mr Takashi Ishihara, president of the second largest Japanese car company, said that only "slow progress" was being made in negotiations with Nissan's unions on the putative British project and was unable to give any indication on when a resolution might be reached.

A company official did disclose yesterday, however, that talks between management and unions had recently resumed.

Yesterday, Japanese newspapers interpreted remarks made by Mr Ishihara at one of a series of press conferences he is giving all over Japan to mean that the company has already decided to produce cars in the U.S.

But a Nissan spokesman insisted that all the president had said was that priority was being given to deciding what to do about Britain—on which an announcement had been promised by the end of last year.

In any case, Nissan's principal current objective in the U.S. was to bring output of pick-up trucks from its plant in Smyrna, Tennessee, up to the midsummer target of 10,000 units a month, he added.

Nissan's interest in a U.S. car plant is neither new nor a secret. Mr Ichiro Shioji, the union leader whose opposition has so far blocked the British project, has long been on record as maintaining that if Nissan does build cars in a major foreign market it should do so first in the U.S.

Of other Japanese car companies, Mitsubishi Motors and Toyo Kogyo (Mazda) are also known to be considering following Honda and Toyota with U.S. investments, perhaps in conjunction with their affiliated American concerns, Chrysler and Ford respectively.

In both cases, Japan's "voluntary" controls on car exports to the U.S. have left Mitsubishi and Toyo Kogyo free to ship a much smaller amount of cars to the U.S. than they, and their U.S. counterparts, had planned.

Toyo Kogyo is collaborating with Ford on the new Mexican factory announced earlier this month, some of whose products will be sold in the U.S.

NEW CALL FOR END TO PROTECTIONIST MEASURES

OECD chief hits trade 'nationalism'

BY CHRISTIAN TYLER, TRADE EDITOR

GOVERNMENTS were rebuked last night for imperilling long-term economic recovery by giving way to domestic protectionist pressures.

Mr Emile van Lennep, secretary-general of the Organisation for Economic Co-operation and Development (OECD), said governments were too inclined to assume that "one more exception" would not hurt.

"The international trading system just cannot afford any more of this sort of attitude," he said. "The restrictive measures which continue to be taken threaten the overall policy approach on which Ministers have agreed.

"The time has come for governments to start saying 'No' much more firmly."

Mr van Lennep quoted no examples in his speech at a dinner in London. But his remarks on protectionism could have been intended to apply to the U.S., where recent restrictions on imports of steel and textiles have been condemned by the Europeans.

The U.S., in its turn, continues to protest at the high level of domestic subsidy given to competing European industries.

The OECD secretary-general said the economic recovery now under way would not of itself dampen protectionism. Political will was needed this time round.

The reasons were that in Western Europe structural unemployment had sapped confidence: visible jobs were being protected at the expense of "invisible" jobs yet to be created. In the U.S., the strength of the dollar was making industries uncompetitive abroad.

The large and growing trade deficit in the U.S. and the surplus in Japan also strengthened protectionist pressures, he said. Debt in the developing world was encouraging import protection and export subsidies, measures seen as less painful in the short run than macro-economic adjustment.

In sectors such as agriculture, the business cycle was relatively unimportant. Here surplus stocks created by national policies were at the root of international friction.

Turning to the debt problem, Mr van Lennep said the crisis phase had been positively managed, even though countries and banks were by no means out of the woods.

Acute as the pressures still were, it was clearly undesirable, he said, to pursue global schemes to fund outstanding debt "through some sort of international buy-out of bank claims, even at a discount."

Mr van Lennep questioned whether it was right, for the long term, to encourage government export credit agencies to set aside normal commercial considerations in order to plug the liquidity gap.

Once they did that, they might be vulnerable to pressures to follow "narrow trade interests" henceforward. The hard-won OECD "consensus" limiting international competition on export credit might also be jeopardised, he said.

Mixed credit packages of aid and finance—and barter deals also threatened to distort trade patterns and weaken competitive forces.

"If we concentrate on getting the flows right, the problem of debt, will, over time, largely resolve itself," he said. It would, therefore, be wrong to relate trade policies directly to the debts of particular countries.

Mr van Lennep was addressing bankers, economists and industrialists at a dinner arranged by the London-based Trade Policy Research Centre.

Italian machine tool orders recover

By Alan Friedman in Milan

ITALIAN machine tool manufacturers achieved a strong recovery in foreign orders during the fourth quarter of last year, but suffered an overall 8.3 per cent fall in the real value of their exports in 1983.

Foreign orders in the fourth quarter were up by around two-thirds year-on-year, but officials at Ucimu, the manufacturers' association based in Milan, pointed out yesterday that this increase was from a depressed base in the final quarter of 1982.

Foreign orders in 1983 registered an overall increase of 13.1 per cent, while domestic orders were down by a quarter.

Total Italian machine tool exports in 1983 amounted to L856bn (£356m), against exports of L865bn the year before—only a small drop in the money value because of the high Italian inflation rate.

Italy nonetheless maintained a healthy trade surplus in machine tools, importing only L250bn-worth in 1983, which represented a surplus of L606bn in monetary terms.

France remained Italy's most important foreign market for machine tools, increasing its purchases by 18 per cent during the first 10 months of 1983, to L120bn. The Soviet Union was the second largest purchaser, with a 30 per cent rise to L75bn during the same period.

Both West Germany and the U.S. reduced their machine tool imports from Italy during the first 10 months of last year, to L68bn and L41bn respectively.

British imports of Italian machine tools in the same period were down by 43.5 per cent, to L22bn, according to Ucimu.

U.S. still firm against countertrade

BY NANCY DUNNE IN WASHINGTON

THE U.S., plagued by its growing trade deficit is searching for new methods of financing exports from the developing countries, but it still firmly rejects countertrade as one of the solutions.

Mr Lionel Olmer, the Commerce Department Under-Secretary for International Trade, said this week that "the brunt of developing-country economic adjustment cannot be borne much longer by developing-country trade accounts."

In the past two years, the U.S. trade balance with Latin America shifted by $20bn (£14bn)—a $17bn drop in U.S. exports with a $3bn increase in imports.

"This is the largest shift in history in our trade balance in so short a period of time," he told a trade conference.

While counter-trade arrangements seem to offer "the only real hope for some companies wishing to do business in developing countries," the Reagan Administration still views the practice as "contrary to the efficient conduct of international trade."

Instead, the Administration has been studying other options, many of which involve increased activity by the U.S. Export-Import Bank. Among those mentioned by Mr Olmer

● An increase in the Eximbank's coverage of interest payments in return for private banks absorbing more risk on loan principal, in order to prebent bank loans from being classified as non-performing.

● Enabling foreign borrowers to pledge future export receipts to repay loans.

● Using strategic materials as collateral for loans.

● Avoiding the direct use of dollars by instituting clearing arrangements using local currencies.

The developing countries' debt is a long-term problem, Mr Olmer said. Establishing a mechanism that would insulate trade credit lines from payment difficulties can re-establish the lifeline needed to help them grow and repay their debt.

Houston buys 50 more Hungarian buses

BY LESLIE COLITT IN BERLIN

THE PUBLIC transport company of Houston, Texas, has ordered 50 articulated buses from the Ikarus company of Hungary, one of Europe's largest bus manufacturers.

Mogürt foreign trade company began exporting Ikarus—Type 286 articulated buses to the U.S. in 1979 after a one-year sales tour of the country by the Hungarian bus met with considerable interest.

Since then, 250 buses, including the ones for Houston, have been sold to Louisville, San Mateo, Santa Clara, Portland, Milwaukee, Albany and Honolulu.

The 18 ft-long buses for Houston, with an accordion-like inset where the two chassis are linked, will be fitted by Crown Coach in Los Angeles with Cummins diesel engines, Rockwell axles, Allison automatic gear shifts, Shephard steering and Westinghouse brakes.

In the first 10 months of last year, the number of Westerners visiting Hungary rose 9 per cent. In 1982, 2.7m Westerners came to Hungary and tourism is the country's largest earner of hard currency after agricultural exports.

Travellers from Austria, who do not need visas, and West Germany, made up two-thirds of the hotel nights booked by Westerners.

The number of Hungarians who travelled abroad rose by one-fifth in the first 10 months of last year

U.S. electronics plant for Ireland

A MAJOR U.S. electronics company, Zenith Radio Corporation, is to establish a manufacturing plant and European marketing headquarters in the Irish Republic, **Brendan Keenan reports from Dublin.** Zenith will take over a plant vacated by the Westinghouse Corporation in Kells, Co. Meath.

Zenith will manufacture screens and power transformers for desktop computers and terminals. Many of its customers for these components already have plants in the EEC and Zenith hopes to supply them directly from Ireland.

China plans aerospace exhibition

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

WESTERN AEROSPACE manufacturers anxious to sell into the growing civil aviation market of Communist China are likely to flock to the Aviation Expo/China '84 exhibition in Beijing, December 6-13.

Organised by China Promotion of Hong Kong, which organises many such exhibitions in China, the aviation exhibition is intended to enable Western aerospace companies to display their wares in the heart of Beijing.

The sponsors of the exhibition are the Civil Aviation Administration of China (CAAC) Beijing Regional Administration, and the China Aviation Supplies Corporation. The CAAC is the official civil aviation body of China, responsible for all civil aviation affairs in that country.

The China Aviation Supplies Corporation is responsible for the import of aircraft and associated parts and equipment, including electronics equipment.

Apart from the sponsors, the officials host for the exhibition will be the Beijing sub-council of the China Council for the Promotion of International Trade, responsible for all co-ordination and invitations in China.

The exhibition will be held in the National Agricultural Exhibition Hall, Beijing, with both indoor and outdoor exhibits.

Full details of the Aviation Expo/China '84 can be obtained from China Promotion, Room 2503, International Building, 141, Des Voeux Road, Central, Hong Kong.

Chinese welding order goes to Sweden

The Swedish welding technology specialist, Esab AB of Stockholm, has won a SKr 20m (£2m) order from China for the delivery of electrode-producing equipment for the modernisation and expansion of a welding electrode factory in Shanghai, writes Tom Sealy.

It also covers the training of Chinese personnel at Esab's plants in Sweden. Equipment delivery is to be made in two stages with completion aimed for mid-1985.

Plan to s
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Italian
machine
tool orders
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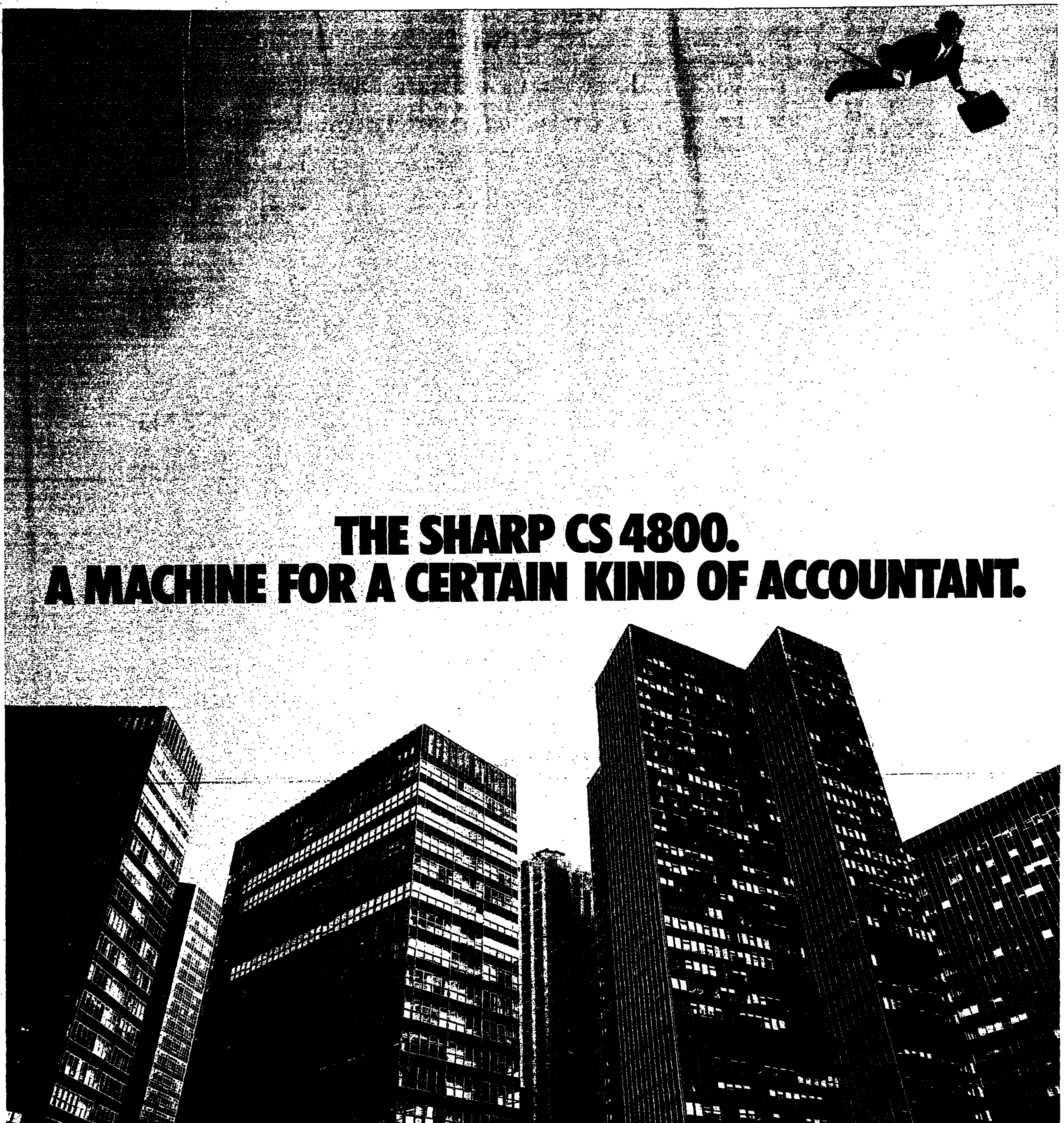

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Three shipyards will close in cutback of further 1,870 jobs

BY ANDREW FISHER, SHIPPING CORRESPONDENT

BRITISH SHIPBUILDERS (BS) yesterday announced a further 1,870 redundancies to take place by the end of March, including jobs to be lost through the closure of three small yards which have no work.

The three yards – Henry Robb in Leith, Scotland, Goole Shipbuilders on Humberside, and Clelands on the Tyne – have been threatened with closure since their order books ran out late last year.

Union representatives were told of the redundancies at talks in London with state-owned BS on productivity proposals. They follow last week's announcement of 3,000 job losses at Scott Lithgow, the Clydeside yard where Britoil cancelled its delayed £88m oil rig order.

BS wants yards to agree to its proposals for more flexible working by the end of January. It will then backdate a promised extra £7 a week to November 1, 1983. The talks follow the lifting of a national strike threat on the proposals, three weeks ago.

There was hope at BS last night that agreement was near. With losses likely to total £120m in the financial year to March 31, the group is anxious to make itself more competitive with other European yards.

BS said losses at Robb, Goole, and Clelands would probably total £4m in 1983-84. Since nationalisation in 1977, their losses (including Robb's Caledon yard in Dundee, closed in 1981) have exceeded £28m.

Robb had been seeking a £28m order for three small naval vessels, which BS said on Wednesday had been won by Hall Russell, another of its yards, in Aberdeen.

Clelands was also negotiating for a small order, now likely to go to Ferguson-Ailsa on the Clyde. BS said this order would only have covered a sixth of Cleland's workforce and have thus been taken at a loss.

BS said negotiations on further orders were under way, which should maintain employment at the remaining yards. These are believed to include coal-carrying and offshore ships which could benefit Govan on the Clyde and Smith's Dock on the Tees.

Cammell Laird on Merseyside is hoping for an oil platform order worth more than £100m from the UK subsidiary of the U.S. Sun oil group, and is tendering for a special £30m-plus tanker which British Petroleum plans to order for North Sea use.

BA offers £250m to induce pension change

BY BARRY RILEY

BRITISH AIRWAYS (BA), the state-owned airline, is preparing an offer of up to £250m in cash to persuade its 33,000 UK employees to switch from its existing £1.6bn index-linked pension scheme into a new scheme, offering less generous benefits.

The cash incentive will average about £8,000 an employee. But the degree to which this is taken up is highly uncertain because employees will have the option of staying in the existing scheme.

Those who do switch to the new scheme – which offers benefits more typical of pensions in the private sector – will also have the alternative of choosing to be credited with extra years of service (giving higher benefits on retirement) rather than taking the cash.

The new scheme would protect pensions against inflation only up to 5 per cent annual rises in the retail prices index. The earlier scheme provides for unlimited index-linking.

Mr Gordon Dunlop, BA's finance director, said the proposals were not negotiable. But union leaders said they were unacceptable and they would try to have them reversed during consultations which they hoped would start shortly.

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Unions banned at top security building

By Our Political Staff

WORKERS at the Government's top security communications headquarters (GCHq) at Cheltenham, Gloucestershire, are to be banned from trade unions membership in the interests of national security.

Sir Geoffrey Howe, Foreign Secretary, told the House of Commons yesterday that the 7,000 staff would be offered payments of £1,000 to compensate for loss of rights to strike or recourse to industrial tribunals. Those who did not accept the terms would be free to transfer to other government offices.

Civil Service union leaders said last night that they were outraged at the move and called for a demonstration today at the Cheltenham building. They described the £1,000 offer as a "bribe."

Sir Geoffrey said the Government's intention was to avoid any repetition of industrial action such as occurred at Cheltenham between 1979 and 1981.

"Government Communications Headquarters is responsible for intelligence work of crucial importance to our national security. To be effective, this work must be conducted secretly," he said. "Moreover, GCHQ must provide a service which can be relied on with confidence at all times."

The ban is being introduced under special powers relating to security in the Employment Protection Act.

Workers at the GCHQ are represented by six unions and have recently protested against the proposed introduction of the polygraph, or lie detector. This move by the Government under pressure from the Reagan Administration followed the trial last year of Mr Geoffrey Prime, a GCHQ worker who was jailed for passing security-sensitive information to the Soviet Union over a number of years.

Mr Denis Healey, Labour's foreign affairs spokesman, described the Government's ban as "disturbing and perplexing." He said only two branches of the secret services were banned from normal industrial activity under the Employment Protection Acts.

EMPLOYERS PRESS FOR LOWER TAXES ON INDUSTRY

Growth at 3% 'must be held'

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

THE CONFEDERATION of British Industry (CBI), the employers' organisation, says that the Chancellor of the Exchequer must give extra encouragement to industry to keep up the momentum of the present recovery.

In its submissions published yesterday in advance of the Chancellor's March budget, the CBI says that the Government needs to foster sustained growth of about 3 per cent a year for the next five years if it is to have a realistic hope of reducing taxes, or of reducing unemployment.

The CBI states that the economy grew by about 3 per cent in 1982 and was expected by the Treasury to grow by a further 3 per cent in the current year, partly as a result of increased consumer spending. It argues that therefore a direct stimulus to consumption by cutting income tax or sales taxes is not needed in 1984.

An added stimulus in this form would, it says, be likely to be counterproductive since increased consumption would suck in more imports, in addition to the substantially increased flows of the last few years.

The current account surplus of the balance of payments has fallen from £6.5bn in 1981 to £1.5bn in 1983, the CBI states. The country could not afford any substantial deterioration of the trade balance which might result from too rapid growth, especially if led by consumer demand.

"In 1984, world trade growth should help exports and keep the current account in balance," the CBI says. "But we could run into a balance of payments crisis in the second half of the decade, especially if the world economy slows down, and if North Sea oil production starts to decline at about the same time.

"The brakes would then have to be put on to stop growth; or the pound would fall excessively causing renewed inflation; or most probably, there would be a combination of both."

To prevent this danger, the CBI believes that the Government should take further action to improve the competitive edge of industry by reducing its burden of taxation.

The CBI's main specific proposals are: abolition of the remaining 1 per cent national insurance surcharge levied on employers; a cut of one percentage point in national insurance contributions paid by employees, to take effect in 1985-86; and a reduction in the property taxes levied on business premises.

The CBI also makes a general plea for the reduction of interest rates and proposes a number of measures to encourage enterprise and innovation.

It calls for greater efficiency in the use of manpower in the public sector and urges a shift from current to capital spending on public works. It broadly endorses the Government's aim of reducing the public sector's share of national income to enable tax cuts to be made in future years, but it does not propose that income tax thresholds should be raised by more than inflation in the March budget.

It adds: "If personal taxes were cut in the 1984 budget, there is a serious danger that too much would be spent on imports and nothing would be done to help our competitiveness, keep growth going and the balance of payments under control."

The CBI estimates the extra cost of its proposals at £1.8bn to the public sector borrowing requirement in 1984-85 and £2.5bn in a full year.

Keep it Going, the CBI's budget representations, £3 from CBI, Centre Point, 103 New Oxford St, London WC1A 1DU.

Government may overborrow by £1.5bn

Philip Stephens reports on efforts to restrain the money supply and problems created by a growth in bank lending

THE BRITISH Government is expected to borrow around £1.5bn ($2.1bn) more than it needs to cover the public sector borrowing requirement (PSBR) in the current financial year as part of its effort to rein back the money supply, according to leading analysts in the City of London.

If the growth of bank lending remains buoyant this "overfunding" is likely to continue well into 1984-85, despite the Government's avowed intention to use additional debt sales only as a temporary expedient to control monetary aggregates.

The alternative, according to City opinion, is a rise in short-term interest rates later in the year, a move the Conservative Government would seek to avoid while unemployment remains high.

A sustained policy of overfunding, however, would push up interest rates on long-term debt, and dissuade companies from following government exhortations to revive the corporate bond market.

Net sales of government stock in the first nine months of the 1983-84 financial year totalled about £7.5bn, while National Savings gave the Government a further £2bn in financing.

In the month to mid-January net sales of gilts are estimated at between £1bn and £1.5bn.

On the basis of those figures, most City analysts are predicting net gilt sales of upwards of £10bn over the whole of the financial year, and receipts from National Savings of more than £2.5bn.

Brokers L. Messel & Co and Rowe & Pitman are both forecasting net funding operations of around £12.5bn for central government in 1983-84, while Phillips and Drew says the figure could be as high as £14bn.

On the basis of a City consensus that the PSBR will be close to its revised £10bn target, the implied overfunding would be between £2.5bn and £3bn, but from that figure must be deducted redemption of debt to the non-banking private sector by local authorities and public corporations.

The broker Simon & Coates estimates that these redemptions will reduce the overfunding by around £1.25bn, pointing to a final outturn of close to £1.5bn.

Mr Nigel Lawson, Chancellor of the Exchequer, acknowledged last autumn that the Government might use overfunding to control money supply growth, but he stressed that this would be only a temporary measure.

The present Treasury view appears to be that it is too early to judge whether the recent acceleration of bank lending to the private sector will require more than temporary overfunding.

In particular, officials have been emphasising that the December surge in lending, which pushed the monetary aggregates to, or beyond, their limits were exceptional, and that on a six-month basis the three measures are well within target.

For this reason there seems to be no immediate pressure on short-term interest rates, although it is acknowledged in Whitehall that a series of poor money figures could alter the picture before the budget on March 13.

A sharp turnround in the public sector's contribution and heavy gilt sales are expected to slow monetary growth in the month to mid-January.

Messel points out, that, even if the December figures are discounted, bank lending to the private sector accelerated to a monthly average of £1.2bn in the three months to November, from £1.0bn in the previous quarter.

With only a modest increase in corporate sector borrowing, the total for 1984 could turn out over £16bn it predicts.

Phillips & Drew forecasts that private sector borrowing from the banks will run at around £1.25bn per month during the rest of the financial year and the figure is likely to increase as lending to the commercial sector picks up.

The overfunding is expected to cause few immediate problems of financial markets, since building societies and other institutions have ample funds to take up additional gilt sales.

Over the longer term, however, continued aggressive debt sales could further distort long-term interest rates, and detract from the Government's desired aim of encouraging corporations from making long-term debt sales.

Oric plans entry into U.S. market

ORIC, the British microcomputer company founded only a year ago, is breaking into the U.S. market for the first time. Mr John Tullis, chairman, said yesterday: "U.S. dealers are clamouring for us to go there."

The decision by Texas Instruments to withdraw from the home computer market had left a gap which Oric could fill with its Atmos machine, he said.

U.S. distributors were looking for about 120,000 Oric machines (costing about £170 retail in the UK) by the end of this year.

Oric is also planning to set up a manufacturing plant in France, where technical journalists recently voted the Atmos as the best computer of its type. In its first six months to June, Oric sales totalled £4.8m. More than half of these were overseas.

● MATSUSHITA Communications of Japan has won a contract to supply 5,000 car telephones to Racal next year for use with the cellular mobile radiotelephone network which Racal is building in Britain. The value of the order was not disclosed. Racal confirmed that the agreement entitled it to make the Matsushita telephones.

● BRITISH PETROLEUM'S chemical business was now breaking even, after heavy losses in the last two years, Sir Peter Walters, chairman, said yesterday.

But he gave a warning that more rationalisation would be needed in the industry, other than that already carried out by BP, if the sector was to move into satisfactory profit.

● JETSAVE, the Caledonian Aviation subsidiary, has produced a programme for 1984 which undercuts its rival British Airways on some of its flights across the North Atlantic. Charter fares from Gatwick, London, to New York will range from £259 to £269 return, compared with BA Poundstretcher fares from Heathrow, London at about £40 to £60 more.

● UP to 90 small new North Sea fields would have to be developed if the UK was to be self-sufficient in oil until the turn of the century, Dr John Jennings, managing director of Shell UK Exploration and Production, said yesterday. The cost of developing these fields would be between £50bn and £60bn.

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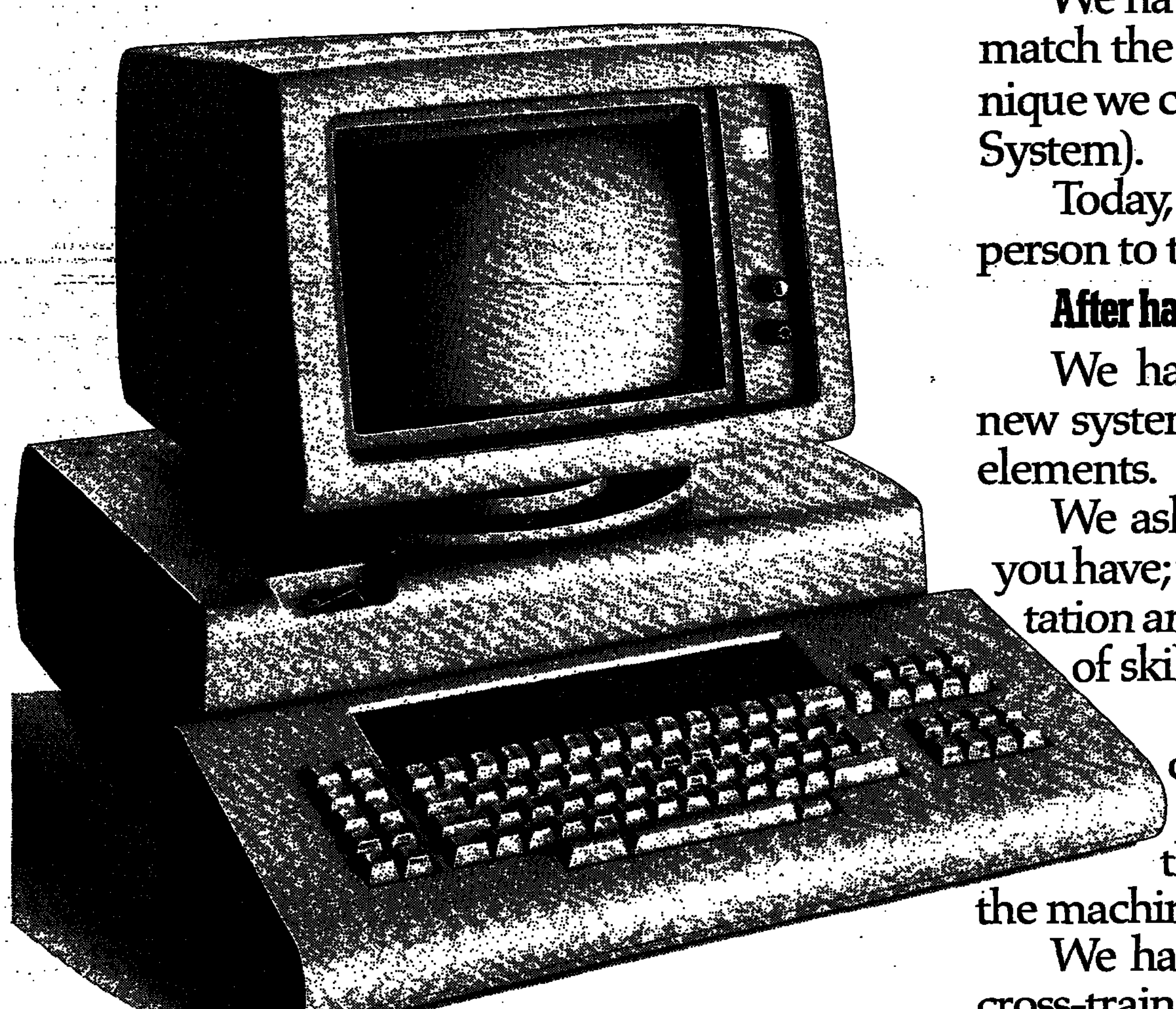

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JOBS COLUMN

How universities fared in the jobs market

BY MICHAEL DIXON

"YES, it does seem to take a dozen years or so before new ideas start to get taken seriously in this country," said Professor Jim Taylor of Lancaster University.

He was talking about the FT's annual attempts since 1970 to gauge the employability of new bachelor-level graduates emerging from the 44 United Kingdom universities. The fearsome-looking table alongside is the latest effort. It ranks the 44 by their 1982 output of new UK-domiciled graduates' success—or to be precise, lack of failure—in getting a better than short-term job by December 31, six months after graduation.

The reason why I call on the Professor of Economics at Lancaster University is that his department has now joined in the attempt to improve the employability gauge. Typically, he has begun by demonstrating that the way I have presented the figures in previous years is wrong, even though he has not yet worked out the right way to do it. He hopes to be there or thereabouts by the end of the year.

Pending that, the accompanying table does its best to avoid being positively misleading albeit at the cost of being long-winded. But I cannot compensate for the fact that the figures supplied by the universities are not audited and so they may not all be compiled on the same basis.

The first column of figures gives each institution's total output of UK-domiciled bachelor-level graduates in 1982. The next column shows the percentage of that total whose whereabouts were not known to the university at December 31 1982. As you see, some institutions are much better than others at keeping track of their recent leavers. Thereafter the table refers exclusively to those whose whereabouts were known.

The next seven columns of two-digit numbers are there because a university's total employability rate is influenced by the ratio of men to women in its output, and by the proportions graduating in different subjects. The first two of the seven columns gives the male: female ratio. The next five give the proportions respectively in arts, social studies, pure science, applied science such as engineering, and medicine and the like.

Across all 44 universities in 1982, the overall unemployability rate (those believed unemployed at December 31 plus those with only a short-term job) was 16.9 per cent among men and 15.5 among women. Arts was 20.2 per cent, social studies 17.1, pure science 18.0, applied science 12.7, and medicine, etc. 0.5.

The last two columns give the institutions' unemployability rates respectively for 1982 and the previous year.

University	No. new UK-domiciled graduates	% whereabouts unknown	% of UK "known" graduates represented by: men	women	arts	social studies	pure science	applied science	medicine	% at best temporary job 1982	% at best temporary job 1981
Cambridge	2,663	19.2	70	30	33	22	25	19	1	8.1	7.9
Aston	1,056	16.6	73	27	4	22	32	42	—	8.7	8.8
Dundee	473	7.2	62	38	7	36	18	6	33	9.8	12.6
City	446	9.9	76	24	3	23	36	38	—	10.2	12.2
Heriot-Watt	504	11.3	71	29	5	20	34	41	—	10.3	17.4
Brunel	521	4.8	78	22	1	26	27	46	—	10.5	10.1
Oxford	2,671	9.7	67	33	42	23	26	6	3	10.5	9.7
Southampton	1,428	9.9	63	37	16	27	30	18	9	11.4	8.5
Durham	1,275	3.0	55	45	37	26	32	5	—	11.8	12.9
Aberdeen	1,039	11.6	54	46	26	24	23	14	13	12.1	13.5
Birmingham	2,011	15.6	60	40	27	28	18	19	8	12.6	8.7
Newcastle	1,669	18.0	60	40	21	20	18	29	12	12.6	12.1
Strathclyde	1,166	7.3	62	38	6	40	26	28	—	12.7	9.1
Bath	798	3.3	66	34	7	19	41	33	—	13.1	13.1
Queen's Belfast	1,347	5.0	63	37	15	35	17	19	14	13.4	13.0
Glasgow	1,991	2.7	56	44	29	23	24	9	15	13.8	9.8
Leicester	1,142	10.9	51	49	27	36	25	4	8	14.0	14.6
Reading	1,304	14.0	53	47	29	20	16	35	—	14.2	12.7
Edinburgh	1,908	9.5	52	48	27	29	21	11	12	14.8	14.8
St Andrews	747	2.7	46	54	47	12	31	—	10	15.0	18.4
Bristol	1,751	8.3	60	40	24	23	31	10	12	15.3	14.1
Exeter	1,393	10.8	52	48	34	33	27	6	—	15.4	13.7
York	851	9.8	52	48	33	29	37	1	—	15.6	18.9
Manchester	3,216	2.5	61	39	21	24	29	17	9	16.1	14.0
Loughborough	1,174	2.8	68	32	24	31	13	32	—	16.6	15.2
Bradford	1,000	6.4	65	35	16	21	32	31	—	17.0	18.6
Salford	997	12.6	76	24	9	21	28	42	—	17.2	10.7
Surrey	629	3.8	62	38	13	20	33	34	—	17.9	18.7
London	7,879	15.4	58	42	21	19	30	10	20	18.0	16.3
Liverpool	1,748	8.6	64	36	15	30	28	16	11	18.1	14.1
Sheffield	1,824	5.9	58	42	22	33	24	13	8	18.6	14.2
Warwick	1,313	14.0	53	47	43	33	21	3	—	18.6	12.6
Nottingham	1,684	11.8	59	41	18	27	26	23	6	18.7	17.2
Kent	895	17.5	57	43	38	40	14	8	—	19.0	15.4
Wales	4,488	9.8	55	45	29	30	23	14	4	19.5	14.3
Essex	628	11.8	61	39	31	40	23	6	—	19.7	14.3
Sussex	957	10.6	53	47	33	35	26	6	—	20.2	18.1
East Anglia	1,130	15.0	52	48	41	30	29	—	—	21.0	19.4
Leeds	2,386	7.2	58	42	23	23	23	23	8	22.6	16.7
Hull	1,358	5.5	53	47	38	39	20	3	—	24.2	22.0
Keele	626	11.2	54	46	25	47	24	4	—	26.3	27.4
Lancaster	1,147	6.7	56	44	40	40	18	2	—	26.9	24.2
Stirling	614	10.7	55	45	38	38	24	—	—	28.3	20.4
Ulster	351	21.1	44	56	44	39	17	—	—	35.7	36.2
Total	66,198	10.3	59	41	25	27	26	15	7	16.3	14.4

Northern Ireland
Chief Executive
Development Capital

Our Client combines a major group of financial interests in Northern Ireland, including a leading merchant bank. They are in the process of setting up a Belfast based development company. The company will be interested in minority equity situations in profitable local companies. It will be involved in development and venture capital situations, management buyouts, start-up situations etc.

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Please write in the first instance to Colin Barry, Senior Partner, at Overton Shirley and Barry (Management Consultants), Prince Rupert House, 64 Queen Street, London EC4R 1AD. Tel: 01-248 0355.

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The post will be of interest to senior, successful people in business, national organisations, the Civil Service or the Armed Forces, or to someone who is already at or near the top of a major trade association – probably in the age range 45 to 57.

Experience of the food and/or drink industry and knowledge of the way in which Government and Parliament work would be helpful but are not essential. Some understanding of the role of a trade association is desirable. Location: London with some travel. The remuneration package will be commensurate with the responsibilities and importance of the post and will be not less than £35,000, with appropriate benefits.

Please write – in confidence – stating how the requirements are met to Lionel Koppen ref. ES.109/B.

This appointment is open to men and women.

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STOCKBROKING
Investment Executive

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Career details and full c.v. to Ian Gammell, Laurence, Prust & Co., Basildon House, Moorgate, London, EC2R 6AH.

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Please contact: Paul Tramble

Jonathan Wren BANK RECRUITMENT CONSULTANTS
170 Bishopsgate · London EC2M 4LX · 01 623 1266

Director of Information Technology Services

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As the focal point of the planning, development and implementation of our IT strategy, the director will be concerned with applying IT to our client services and internal administration. The formation and management of a small team of specialists will ensure that our offices and departments have rapid access to the practical help and guidance they need.

The director will have a strong data processing background, good management experience, sound knowledge of equipment including micros and some experience with accounting systems. It will be important, but not essential, to have telecommunications expertise. The director will also have good planning and judgement skills and will be able to communicate well at all levels.

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Location: City of London

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TML KMG

Thomson McLintock & Co 70 Finsbury Pavement, London EC2A 1SX

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The City

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Confidential Reply Service. Please write with CV quoting reference 1859/JS on your envelope, listing separately any company to which you do not wish your details to be sent. CV's will be forwarded directly to our client, who will conduct the interviews. Charles Barker Recruitment Limited, 30 Farringdon Street, London EC4A 4EA.

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Please write with full details. These will be forwarded direct to our client. List separately any companies to whom your application should not be sent. B. G. Woodrow ref. B.1535.

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An attractive remuneration package, together with the usual range of banking benefits will be offered. Please write in confidence, enclosing a detailed curriculum vitae, which should include current remuneration.

Ian Carlton,
Personnel Manager,
County Bank Limited,
11 Old Broad Street, London EC2N 1BB

National Westminster Bank Group

COUNTY BANK

Phillips & Drew

JERSEY

Phillips & Drew are looking to enlarge their existing team in the Channel Islands, and would be interested to hear from any person with Channel Island residential qualifications and considerable Stock Exchange experience in an advisory or dealing capacity. Applicants are sought to take up an executive position in our local office, and in the first instance should contact Andrew Stewart or Colin Cavill by telephone on 0534-76061, or in writing to:-

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A knowledge of French is preferred.

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Applications, together with c.v., should be made in strict confidence to:—

Mr. P. N. Harris, Staff Manager
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Due to the continuing development of the services offered to both our private clients and to firms of professional advisors we wish to recruit individuals who will specialise in financial planning. Our immediate requirement is for applicants who are technically competent and can demonstrate how tax efficient life and pension contracts can be used as part of an individual's approach to tax and investment planning. The successful candidates should therefore already possess these skills and have a desire to extend their own knowledge in order to be capable of providing clients with advice on a wide range of financial maters.

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TECHNOLOGY

EDITED BY ALAN CANE

Domestic appliances

How to cook with light bulbs

IN MARCH, a new cooking hob will be offered by Kenwood in which a disadvantage of electric cooking, the slow heat response in comparison with gas, has been tackled by using a rather unexpected heat source from Thorn EMI Lighting.

In a £0.25m research programme, Thorn has developed a special version of the tungsten halogen lamp, which, installed within a ceramic hob, produces much more rapid changes in heat supplied to the cooking pan when the control setting is altered.

Each cooking position has a 450 watt lamp under it which, at 240 volts, produces a good deal of short wavelength infra-red energy as well as light.

The ceramic layer above the lamp filters out most of the light, but 80 per cent of the infra-red energy passes through to heat up the pan rapidly. The principle is distinct from conventional wire-wound heaters that emit energy at about twice the wavelength which is absorbed first by the ceramic hob, claims Thorn EMI, "so that heating the saucepan becomes a secondary function."

The lamps, called Halaheat, have been designed for a life of 10 years and the energy output does not diminish with time claims the company.

Such luxury—an easily-cleaned single surface ceramic hob, with gas-like response—comes at a price in excess of £600 however. Kenwood is on 0705 486400; Thorn EMI Lighting on 01-802 3151.

UK SCHEME TO EASE MOBILE COMMUNICATIONS CONGESTION

Radio takes the trunk route

BY PETER MARSH

SMALL BUSINESSES with vehicle fleets are to be helped by a new series of radio services for cars and lorries, starting in London and spreading to the rest of the country later.

With trunking technology, the services will share different frequencies between several hundred vehicles. This will divide more efficiently the limited spectrum set aside for mobile radio users.

The new systems will bring relief to companies now struggling to find enough frequency space in Britain's overcrowded radio spectrum.

Four pilot projects in London will begin over the next few months. They will comprise Britain's first large-scale demonstration of radio trunking.

The technology is far from new. But hitherto the radio-regulatory division of the Government has failed to set aside portions of the spectrum specifically for this application.

The Department of Trade and Industry has made amends by allocating frequencies in the UHF band around 440 MHz to the London trunking systems.

It is also inviting offers from companies to set up trunking networks in other parts of Britain. These systems will use frequencies around 157 MHz.

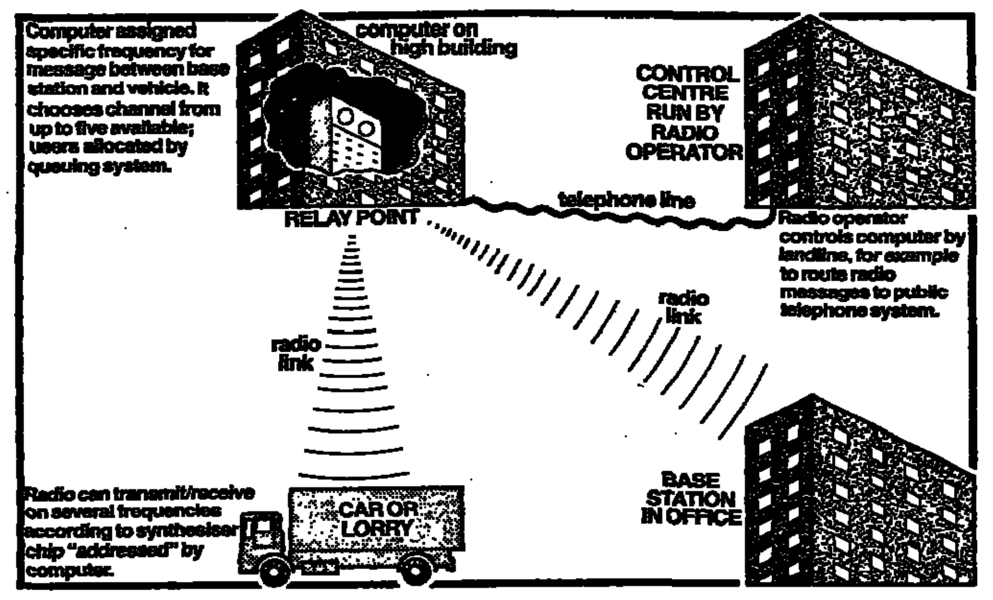
> Four pilot projects in London will begin over the next few months. They will comprise Britain's first large-scale demonstration of radio trunking.

Besides sharing out the radio spectrum more efficiently, trunking makes possible other "value added" communications services, including connection to the public telephone network.

Reliance Communications, for instance, which is to operate one of the London trunking projects from next month, will store messages for its radio customers.

It will also connect vehicles to each other—the normal service is simply to link cars or lorries with their working base in an office.

Another feature of Reliance's system will be its connection of radios in vehicles to the public telephone network, during off-peak hours only.



Radio trunking means that users are not necessarily given the same frequency each time they make a call

Organisations that use mobile radio include bus and coach operators, local authorities and emergency services such as the police. But in recent years, the heaviest demand has come from small companies such as garages, plumbers and road hauliers.

These companies can cut costs by maintaining radio links with their cars and lorries while the vehicles are on the road.

Of Britain's 300,000 or so vehicles with two-way VHF or UHF radio, some 50,000 are in London. Demand in the capital is so high that each radio channel must be shared by up to 150 vehicles, perhaps owned by 30 different organisations.

Small businesses can rent frequency space from companies that operate community repeaters.

With these, several organisations again share a single frequency. But radio messages intended for specific people have their own signalling tone. This reduces the chance that people will butt into others' conversations.

People in London who want to buy radio time in this manner are faced with a waiting list of up to 18 months.

In trunking, several radio channels are made available to several hundred users. The heart of the system is a small computer which relays messages between the different radios in the network.

To set up a connection, a *radio sends a short digital tone* to the computer. This establishes a link with a second radio. It also assigns to the connection a specific channel.

Once the conversation is over, the channel can be re-assigned to carry a radio message between other people who use the service.

Besides Reliance, Storno and Pye Telecommunications are to set up trunking systems in London. Each will use three frequency channels, rising to five with increased demand.

The final project in the capital will be operated jointly by Motorola and Audiolink. This will share out six channels.

According to the companies' estimates, the four systems will offer frequency space to about 2,500 vehicles.

The new service will be more expensive than community-repeater systems. To rent radio time for one vehicle using community repeaters costs £1-£1.50 a day (this includes the hire of the radio).

Although the companies that will run the London trunking systems have not all decided on their prices, the figure for the new services will probably be 15-50 per cent higher.

The radio operators say this reflects the reduced waiting time to set up calls plus the fact that all conversations will be private — it will be very difficult to eavesdrop on "trunked" radio messages.

Suppliers of radio-trunking hardware have essentially borrowed call-routing technology from computerised telephone exchanges.

Radio trunking systems have existed in other countries, the U.S. for example, for several years.

The technology is also the basis for the cellular radio networks which will become available in Britain from next year. In these, computers will assign radio frequencies to vehicles that carry telephones. Radio links will act as a bridge between the vehicles and the public telephone network.

Cellular radio is likely to be more costly than orthodox mobile radio. It will appeal mainly to big companies whose employees make telephone calls while they are on the move.

ROBOTIC WELDING

ESAB-Lincoln aims for UK domination

BY GEOFFREY CHARLISH

ESAB-LINCOLN Automation, a UK subsidiary of the Swedish welding specialist ESAB, has opened a mechanised welding centre and showroom in Stevenage where many of the company's new products can be seen in action.

ESAB-Lincoln, which says it has sold over 100 robotic arc welding packages in the last year, is aiming at a further 70 sales in 1984. This excludes any major contracts that may be placed by the automotive industries.

It hopes to have about 50 per cent of the UK market and is aiming to raise it to 70 per cent by 1987. The company deploys 100 sales engineers in the UK and intends to hold regular monthly exhibitions.

ESAB's latest introduction is the Orbit 500, a system in which a two axis positioner holds and moves the workpiece in such a way as to position it ideally for the welding head at the end of the robot arm. Pieces are clamped to a circular table at the end of a tilting arm and the table can rotate at up to 10 rpm.

Since the robot arm itself has five axes, it becomes possible to weld a continuous seam on almost any path within a considerable working envelope. A hand-held programmer is used to set up such paths — the operator "teaches" the machine's memory by manually taking the (inert) welding head through the path, using both robot and positioner, and recording the co-ordinates en route. The Orbit 500 will then repeat the task indefinitely, with 0.1 mm accuracy per axis.

Another product now offered by the company is a laser-based weld seamfinder, a device which, mounted at the end of the robot arm, will allow it to search automatically for a weld joint under preparation, precisely positioning the head for a perfect weld every time without physical contact with the workpiece.

The seam finder consists of an optical sensor and a microprocessor. The micro interprets visual signals from the sensor and transmits data into the adaptive control system of the robot, precisely guiding the arc along the beam.

In many cases the seam finder will reduce production costs since the need for a high precision fit-up of the two parts to be joined will vanish. More on 0438 728821.

PERIPHERALS

Magnetic printing

A HIGH speed magnetic printer has been introduced into the UK from France by Bull Peripherals, the British division of Bull Peripheriques.

Designated MP6090, the machine is claimed to be the first such unit to be made available to original equipment manufacturers in the UK. It operates at 6,000 lines per minute, which is equivalent to about 1.5 pages every second.

Designed and manufactured by the French company, the MP6090 is the first of a family of non-impact printers which will use virtually identical components. Three proprietary Bull technologies are employed: a magnetic drum, a special design of magnetic recording head, and a single component magnetic toner.

The recording head consists of about 3,500 separate recording points disposed in a line across the paper width. The head writes on a nine-inch diameter drum which rotates while the 3,500 points are selectively activated to form characters and graphics.

The same kind of "vertical" recording technique is used as that now being developed for high density data disc recording. In normal magnetic recording the resulting elemental magnets lie "horizontally" in the plane of the recording medium. In vertical recording they stand upright, allowing tighter packing and greater data density.

As the drum is recorded, toner dust is fed on to it and adheres only to the magnetised areas representing characters or graphics. Paper fed round the drum picks up the toner which is then permanently heat sealed.

Computers

Pairing machines

AND NOW, the executive and secretarial personal workstation set. Lanier Business Products, a U.S. office equipment manufacturer has launched a business computer which comes in pairs; for £7,250 the customer gets two screens, two keyboards, a 10 megabyte hard disk and a daisy wheel printer.

The idea is that the executive and the secretary use identical machines for word processing, data processing and so on.

The system is a closed multi-user multi-tasking microcomputer system which allows both users to work on the same document simultaneously or to process separately, quite different pieces of work. One screen for example could be used for word processing while the other can run data processing packages under the CP/M operating system. Documents can be sent electronically from one screen to another. More on 01-549 8741.

Software

Program at the garage

PEOPLE WHO operate petrol pumps in garages could be helped by a new software package developed by the Battelle Memorial Institute in the U.S.

The software models the efficiency of what computer engineers call "time-orientated systems"—lines at service stations, assembly hardware in factories or even the flow of paperwork through an office.

According to workers in Battelle's laboratories in Columbus, Ohio, the package allows people to work out the effect of small changes such as a greater demand for the service offered. More on 01-493 0184.

THE MANAGEMENT PAGE : Marketing

EDITED BY CHRISTOPHER LORENZ

International advertising

A dichotomy in campaign style

FOR INTERNATIONAL marketeers these are testing times. The way ahead is not as obvious as it used to be. As new technology continues to multiply the possibilities at a spanking pace — the first cable TV channel by satellite arrived in the UK last week — and to melt down national barriers, the issue of pan-European, even pan-world marketing (and hence advertising) comes into sharp focus.

The European Commission too, is helping to widen horizons as it attempts to harmonise trading practices among its members.

The opportunities these trends could present for major manufacturers to market their goods uniformly — from packaging through to advertising — throughout Europe and beyond has prompted many companies seriously to rethink their foreign policy. The possibility of one commercial beamed into several countries opens up gigantic markets previously unimaginable.

Acorn Computers opted for different strategies in (l to r) West Germany, the U.S. and UK

The marketing dilemma that continues to polarise opinion among advertisers and agencies alike, is whether it is better to go for the one-pronged global approach, using unilateral advertisements that travel well, with central control, or to go for the splinter attack, with tailor-made advertisements from local agencies, nation by nation.

Proponents of centralisation have been the giant American agencies which grew fat operating such policies for their international clients and with notable success. Coca Cola, Marlboro cigarettes and Rolex watches are three of the oft-quoted examples.

The concept appeals practically, too, since it offers large advertisers economies of time, effort and finance. One of the most ardent voices on this issue is Saatchi and Saatchi, whose worldwide aspirations are fuelled by a "world brand" philosophy. Normally not given to making press statements, the agency took a two-page spread in the latest Sunday Times to deliver chapter and verse, much of it from its annual report, on its views. It's a seductive argument.

Cross-frontier branding—"to find a real advertising idea so deep in its appeal it can transcend national borders"—based on national similarities will be the fuel, they say, for growth. Economic and demographic denominators (falling birth rate, increased employment of women and ageing population) common to large segments of the industrial world, have developed, as has a common culture developed by mass-appeal movies and TV shows.

Network

Yet not everyone is seduced. There is a growing tide of opinion that holds that the way ahead is through decentralised advertising policy. This does not, however, preclude centralisation of marketing strategy. Hence the move among certain smaller and medium-sized agencies towards a federal network of like-minded agencies.

One recent example of this move is Aspect Advertising of London which has formed links with Ernst and Partner of Dusseldorf, and with Levine, Huntley, Schmidt and Beaver of New York. Aspect, which was formed in 1982 with a £6m billing after a buyout from parent, Collett Dickenson Pearce, now bills £22m.

Last week the triumvirate demonstrated its beliefs at a pan-European symposium in London, with a case history of its shared British client, Acorn computers.

Global products, declared Chris Davies, chairman of Aspect, do not automatically mean global advertising. "What today's global corporations need is help in producing centralised marketing strategies and dissuasion from accepting the siren calls of global advertising. I believe this gallop towards global advertising is agency- not advertiser-led. The reality is that global or centralised advertising means underperforming brands."

He cites recent cases of multinational companies pulling out of network campaigns and opting for a local approach. The American computer company Apple ran the same American ads throughout Europe at a time when it had no major rivals in the UK. It failed to sustain its lead once rivals entered the field and at the end of the year Leo Burnett lost the Apple business in Europe.

The Acorn campaign was aimed at the educational market in the UK, West Germany and the U.S. However, the hardware marketplace in each was highly individual, having developed to different degrees.

In the UK, the microcomputer market was as highly sophisticated as anywhere. At the start of 1983 there was an estimated 8 per cent penetration of households (it is now 12 per cent)—four times higher than in any other nation.

With a spend of £2m (now upped to £3m) the agency capitalised on Acorn's trump card: that it was chosen to make the BBC microcomputer and that it was one of three favoured by the Department of Trade and Industry under its "Micros for schools" aided purchase scheme.

The target group was parents, and opinion-formers from education, industry and government circles. Copylines included "the ultimate home help" showing visuals of how a micro files bills, recipes, acts as teacher, etc. Ads with the line "Not all home computers stay at home" illustrated applications in shops.

Results, says Davies, show that by July 1983 the BBC Micro was the best selling micro in the UK and stayed in the top three positions throughout the year.

The U.S. Acorn campaign broke in June 1983. Faced with a market penetration of just under 2 per cent, Acorn again headed for the educational market.

Plagiarise

Press ads were placed in leading national papers aimed at reaching decision-makers responsible for influencing school purchases.

The copy talked of a learning system, designed especially "for education by educators." Levine also plagiarised a familiar U.S. ad line for Schaffer beer, meaningless outside the U.S., which went "the one computer to have when you're having more than one."

Acorn reached its one year sales target after only nine months.

West Germany posed its own problems. With market penetration of less than 1 per cent and talk of several American competitors pulling out, there was considerable confusion in the marketplace.

So for Ernst and Partner, which launched its Acorn campaign last September on a spend of DM ½m (this year DM 3½m), it was a case of building foundations.

"The educational system, the dealer structure, the culture are all different over there," says managing and creative director, Ray Wire. It positioned firmly Acorn's product as the educational computer and developed a strong corporate identity with the common line carried on all ads: "the future has just begun" —quite inappropriate to, say, the U.S. and UK.

The first ad, cleverly designed with a pullout invitation, requesting further details, drew in some 15,000 replies. "For an unknown product, this was very good," says Wire. The inquiries were then forwarded to dealers. Posters and press were used since television in West Germany has less impact.

But the local creative approach by international clients—co-ordinated under a central marketing strategy—is, claim its believers, just as relevant to, say, disposable nappies as to microcomputers. Already multinationals such as Sony and Nestle are showing the way in selecting agencies on creative merit, country by country.

Feona McEwan

Battle for the French smoker

BY DAVID MARSH

SEITA, THE French state-owned tobacco company, is facing a marketing challenge familiar to other industries in the country. After having rested for too long on its laurels as the producer of well-defined brands which have traditionally dominated the French market, in recent years Seita has come under serious pressure from lavishly-promoted imports made by foreign multinationals.

The threat to Seita, which produces the world-famous Gauloises and Gitanes dark cigarettes chain-smoked by generations of French soldiers, gendarmes and film-stars, has come from an invasion of light cigarettes. Led by Peter Stuyvesant (Rothmans) and Marlboro (Philip Morris), the foreign-produced light brands have not only bitten deeply into Gauloises and Gitanes but have also knocked for six Seita's own leading light cigarette, Royale.

The lungs and minds of French smokers have increasingly been captured by imports: in 1976 light (or "blonde") cigarettes accounted for only about 12 per cent of the French cigarette market. Royale was leader with one third of those sales.

Now, following health scares about the risk of dark cigarettes, the easing of traditional French monopolies on cigarette sales, and vivid advertising campaigns by the Anglo-American tobacco groups, light brands make up 43 per cent of the market. Royale has slipped to only third place in the light stakes, accounting for only 10 per cent of sales of these brands.

At the end of the 1970s Seita identified Royale's problems as stemming from an unattractive image compared with the dynamism and glamour somehow radiating from the foreign brands' advertising campaigns. "It was not a healthy situation," says Daniel Bonnemaison, Seita's marketing director. "The competitors were attacking the market for young smokers, especially men —Royale was coming to be smoked more and more by older people and women."


Royale campaigns, old (left) and new, have always stressed adventure

This was doubly worrying as these categories ("older people," by the way, in tobacco industry jargon means anyone over 35) comprises the sector of the population most susceptible to anti-tobacco campaigns and thus most likely to give up the habit altogether (or die) within the next few years.

"We had to rejuvenate Royale," says Bonnemaison. Accordingly in 1980 a campaign was started to "reposition" Royale on the French market—a "surgical operation," says Bonnemaison, spread across all areas of promotion and marketing.

Seafaring

The Royale rejuvenation entailed a shake-up of Seita's commercial department, a foray into sponsoring, a big increase in publicity and promotion sales—and most important, a revamping of Royale's traditional seafaring image.

The cigarette has always been promoted on a nautical note. "We try to capitalise on the sea—an atmosphere of 'getting away from it all' and adventure," says Bonnemaison. To inject "new dynamism" the company modernised the boat used in its advertising from a romantic barque which could have come out of an Errol Flynn pirate film to a sleek ocean-going sailing vessel.

Between November 1981 and November 1983 Seita introduced a series of modified Royale brands to give it wider ranging appeal. These included menthols and longer cigarettes, together with extra-light varieties which were backed with more than half the FFr 150m a year promotional spending by Seita (a figure which itself represents about half of total French promotional expenditure on cigarettes).

Seita's overall publicity expenditure has risen four-fold in constant franc terms since 1978 and is used, among other things, to sponsor sailing races (Sieta also sells marine wear).

The big increase in spending has taken place in spite of government regulations, brought in as part of an anti-smoking drive in the mid-1970s, to limit cigarette advertising in the Press. The main effect seems to have been to encourage tobacco companies to launch other forms of publicity campaign.

The French Government's anti-tobacco campaigns have anyway always been less extensive than those in the UK (how could it be otherwise when the Government owns the tobacco company?) and French cigarette prices are kept below those on other EEC markets.

The first results of the Royale revitalisation drive have been moderately encouraging. After a steady slide in Royale consumption up to 1980, the brand has shown sales increases in each of the last three years.

Last year Royale sales in France rose 8.2 per cent to about 3.7bn cigarettes, making a total increase of 24 per cent since the 1980 low of just under 3m units.

Thanks too partly to higher promotion spending on Gauloises and Gitanes, Seita's dark cigarettes last year managed to hold their fall in consumption to only 4 per cent.

On the negative side, although Peter Stuyvesant sales in France in 1983 rose a mere 0.5 per cent, Camel's climbed 19 per cent and Marlboro consumption boomed by 22 per cent following an 11 to 12 per cent increase in 1982. Marlboro sales in France are now three times Royale's—and clearly Seita has further than ever to go to catch up with the Philip Morris cowboy.

FINANCIAL TIMES SURVEY
Thursday January 26 1984

Austria

A new Government in Austria faces all the old problems, but has inherited all the old assets. Budget deficits need stabilising and state-owned industry is struggling. But unemployment and inflation are low and social consensus is intact.

BY W. L. LUETKENS

PROSPERITY is palpable in Austria. Social consensus, not confrontation, reigns. But there are nagging problems of adjusting to a changing world.

But the "skilled Austrian"—as Austrians like to call themselves to show they have *savoir faire*—still believes that the national addiction to compromise (and occasionally to cutting corners) will prevail. Here are some of the problems that provoke the rhetoric of politicians and will test the skills of the behind-the-scenes fixers who, on balance, have served the country well:

- Since the elections of last April the small liberal party, the Party of Freedom, has a share in government for the first time, complicating the traditional interplay between the Socialists and People's Party, the two parties of Government during the past 30 years.
- In the chillier economic atmosphere of the 1980s the cherished institution of social partnership, meaning the willingness of business and labour to live and let live, is coming under increasing strain.
- Fiscal stringencies no longer permit deficit spending as a means to growth, and even threaten a generous welfare system.
- Restructuring of industry is required to reduce excessive dependence — primarily in the state-owned sector — on steel and other products of low added value.
- The Austrian alpine ski-ing team has performed indifferently. But that is not a problem for policy makers. It is merely a national disaster.

The entry of the liberals into government has not deprived the Socialists of their leading role. Liberal influence on policy is relatively restricted. If policy has changed since Dr Kreisky, as it has, that is due less to the liberals than to the force of circumstances, meaning budget deficits and the limits to growth.

Nationalistic

The character of the liberal party is hard to define. It has a market-orientated strain; it also has a nationalist Germanic strain. What makes the entry of the party into government significant is not merely that it props up the Socialists who have lost their overall majority in Parliament. The real novelty stems from the fact that the liberals are weakly represented in the chief institutions of social partnership and are not identified with its ways.

The main agents of social partnership are the trade union federation and the chamber of commerce organisation to which every business in Austria must belong. The farmers' federation is a third ingredient and the Government also participates.

This framework has ensured that industrial relations are conducted on a consensual basis. Mutally agreed wage and price restraint has worked better than any imposed incomes policy to help against inflation. Strikes are almost unknown.

This happy state of affairs is the product of recent Austrian history, but cannot be fully understood without looking at the darker side. In 1934 civil war erupted between the Socialists and a clerical-agrarian government with strong fascist elements. The Socialists were subdued: so was a Nazi rising a few months later. The native Austrian dictatorship survived until 1938 when Hitler sent his troops into Austria.

Memories of these days are still alive. Dr Friedhelm Frischenschlager, the Minister of Defence, himself far from being a Socialist, is trying to provide a symbol of reconciliation by commemorating the civil war with a swearing in ceremony for recruits in the Karl-Marx-Hof in Vienna. That impressive complex of council house flats was the fortress of the Socialists in 1934.

In its present form, social partnership is very much the work of men in the Socialist Party and the People's Party who witnessed the 1930s and 1940s and wanted to make sure that the country would not again go down that road. These men are approaching or beyond retiring age. The memories of dictatorship and of war have faded.

The remarkable fact is not that social partnership should be questioned in some quarters, but that the concept is still prized. The current economic difficulties could cut either way. The odds are that the strains will become acute. But it would be entirely in keeping with national attitudes for the people to feel that consensus is more important than ever.

It is very much up to the main actors to ensure that consensus does not degenerate into sterile compromise. There is some evidence that this could happen.

When mass dismissals that could aggravate regional unemployment threaten, both Socialists and People's Party tend to shy away from harsh measures rather than to think whether those jobs can be saved for good. When the Steyr truck and tractor works, which had been on a 35-hour week for lack of work, threatened to dismiss about 900 people, the event was presented in terms of a national disaster.

Intervention

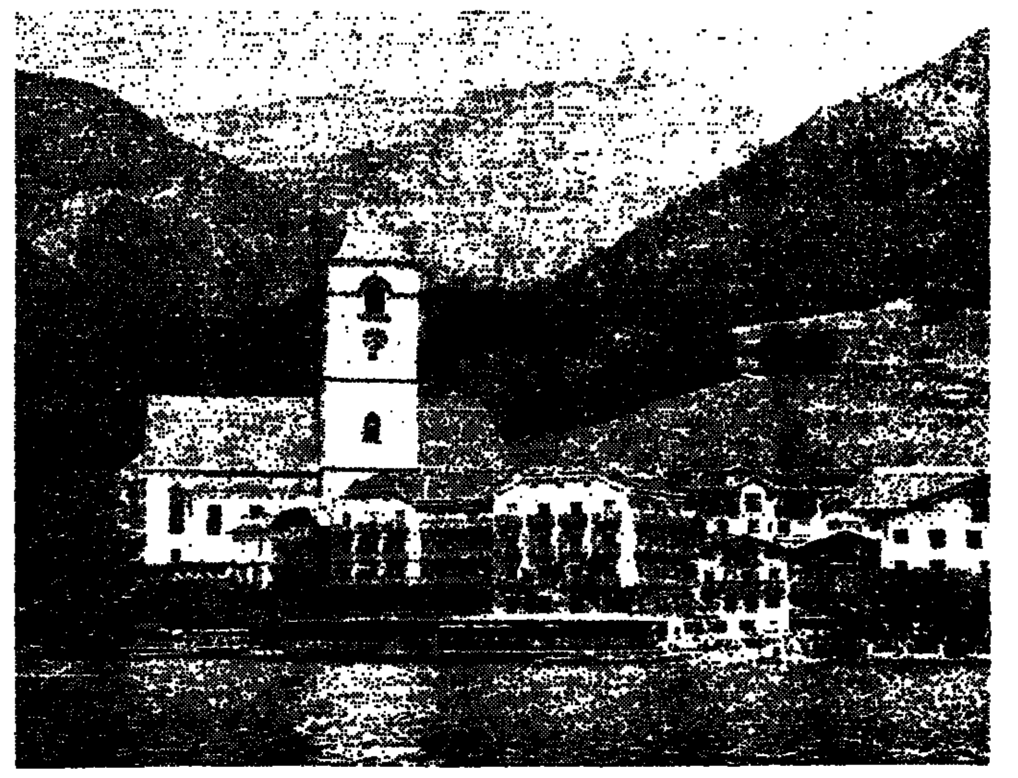
The Government intervened: the dismissals were suspended, but a long-term solution to Steyr's problems needs yet to be found.

In the steel industry a battle is raging about the future of VEW, the special steels affiliate of the state-owned Voest-Alpine concern. VEW's trouble is that its works in Styria are in the wrong place. Both iron ore and coal have to be brought from far away — and the markets are a long way away too. But rationalisation, which Voest wants to carry out, would add to the troubles of what already is an area of high unemployment.

These two acute situations are *symptomatic of a much wider* need to adapt Austrian industry to the future. The need for innovation and restructuring is generally accepted, but progress, inevitably, is slow. Financial incentives have been offered for innovation and for starting up new businesses in areas of high unemployment. But the amounts — and certainly the publicity given in the press—pale by the side of the Sch 16.6bn (about £590m) made available last year to state-owned industry.

Just as the process of restructuring has barely begun, so the consolidation of public finances promised by the Government is only in its early stages. The deficit has been contained for the moment by a severely restrictive budget, but the attack on expenditure is yet to come.

The opinion is widespread in Austria that these are problems that, in the end, can only be solved by consensus, not by more radical means. Even a People's Party Government (which is not in sight) would have difficulties if it tried to browbeat the trade unions. If so, it is fortunate for Austria that the trade unions have hitherto always recognised that business needs to make profits in order to invest, to secure jobs, and to provide the new structures required in the world of today.



The church at St Wolfgang, a much visited tourist spot. Tourism is Austria's biggest earner of external revenue

IN THIS SURVEY

PROFILE: DR. FRED SINOWATZ, CHANCELLOR

The new man in charge

DR FRED SINOWATZ became Chancellor of Austria after the ball was over. World recession had put an end to a period of economic growth. Budget restraints had knocked out the bottom of a previously successful policy of deficit spending to maintain full employment.

As though that were not enough, the 54-year-old Dr Sinowatz had to step into the shoes of Dr Bruno Kreisky, one of the two or three outstanding personalities of post-war Austrian politics. The manner in which he handled the Kreisky problem is typical of the man.

While Dr Kreisky was secure in office, Dr Sinowatz, as Vicechancellor, denied that he had any personal wish to become the successor. When the Socialists lost their absolute majority in Parliament at the elections in April last, Dr Kreisky resigned. The successor, also a Socialist, made plain very tactfully that there would be some fundamental policy changes. For instance, he said that only a personality of Dr Kreisky's stature could continue the former Chancellor's foreign policy. In other words, no more meddling in the Arab-Israeli problem. Dr Kreisky's excursions in that direction had never been popular.

Team player

In cabinet, Dr Sinowatz has a reputation for asking departmental ministers the right questions. And he has not copied the habit of his predecessor who had a way of coming out in public with policy statements before the matter had been settled in cabinet. In other words, the Chancellor is behaving like a team player.

The need to take account of what would be practicable has determined Dr Sinowatz's policy far more than the need to humour his weak coalition partners in the small liberal party. The Government's main achievement so far is a package of rather painful tax increases. The next step will have to be a pruning of expenditure, especially the ever-rising pensions bill. It remains to be seen whether Dr Sinowatz and his Government can summon the necessary energy.

From his personal origins one might suspect that the Chancellor has much sympathy for the need to economise. He insists that his parents were working people—and so they were, but they worked in their own small coal merchanting business. It is a point that Dr Sinowatz harps on, demonstrating his sympathy, across the party lines, with the country's class in small business.

He also shows his sympathy with the contemporary tendency to stress personal initiative rather than welfare supplied from above. In an interview he said: "Even in a welfare state we must reconsider what should be left to the public sector, what to the market, and what is a job for the private sector."

Thoughtful remarks, as befits a man who went to university, where he read history, and became a librarian before going into politics. But they are not going to lead to a wholesale attack on welfare or for that matter on subsidies and struggling nationalised companies.

The Chancellor himself has said that the Austrian system of consensus is far too well established for an about turn on the model of some conservative western countries. In any case, as a Socialist, Dr Sinowatz is unlikely to hanker after that kind of radicalism.

W.L.L.

AUSTRIA II

Both coalition partners have lost popularity since last April's election

Opposition more assertive but national consensus continues

Politics

W. L. LUETKENS

THE AUSTRIAN political scene is far from having settled down after the shock administered by the elections of last April which broke the Socialist parliamentary majority.

The departure of the Socialist Chancellor, Dr Bruno Kreisky, the towering figure of Austrian politics in the 1970s and early 1980s, went off smoothly. His chosen successor, Dr Fred Sinowatz, a Socialist heading an unprecedented coalition with the tiny continental-style liberal party, has rapidly gained in authority. So, for that matter, has the leader of the opposition, Dr Alois Mock.

What is by no means clear is for how long the new pattern of government will last and—more important—what the character of government and opposition will be in the longer run.

Under the pressure of facts, the Socialists have had to admit publicly that budget deficits such as those that have arisen in recent years cannot be sustained for ever and that deficit spending and subsidy are not the cure for structural economic problems. The liberals will wish them to abide by this realisation, but that will require a fundamental change in the thinking of the Socialist Party.

But the opposition, too, is not always consistent. Dr Mock led the bourgeois Austrian People's Party into battle last year with the slogan "less state intervention." He does mean it, but many of his followers do not. Unemployment in Austria is very much a regional phenomenon. When dismissals threaten, the local party machines are quick to call for more subsidies—and hang the party commitent to fight for a more balanced budget.

Dr Sinowatz's coalition partners are the most divided of all. The party leader and Vicechancellor, Dr Norbert Steger, is not uncontroversial within his own organisation. As a member of the liberal wing of his party, he has come under heavy attack from the so-called national wing. The latter are a handful of people who have a vaguely nationalist Germanic inclination, with a bit of xenophobia thrown in. The description is woolly, because the phenomenon is woolly.

Thus there are elements of instability in the political set up. The coalition partners have undertaken not to dissolve the coalition unless it be to call a general election. That in all probability will ensure the survival of the coalition, since both parties are losing popularity compared with their performance in the last election. In the present climate of opinion the liberals would risk being wiped out in an election. They are, therefore, in a weak bargaining position to uphold their principles against the Socialists.

The Socialists themselves appear to have overcome a phase of internecine quarrelling about the person of their former finance minister, Dr Hannes Androsch, now head of Creditanstalt-Bankverein, the largest bank in Austria.

Dr Androsch had fallen foul of Dr Kreisky, then Chancellor, for a variety of reasons. Dr Kreisky objected to the Androsch family carrying on a tax consultancy while Dr Androsch was Minister of Finance, but the real reasons lay deeper. For Dr Kreisky the younger man was an unideological technocrat who had no business being a Socialist.

Dr Kreisky made this discovery rather late, but once he had turned against Dr Androsch he did not rest until Dr Androsch was dropped from the Socialist executive last year. It is an open question whether that is the end of Dr Androsch's once promising political career.

What is certain is that the Androsch affair will have lasting effects in the Socialist Party. Herr Heinz Fischer, Minister for Science, hinted at one possibility when he said that the party would once again become a party with a vision instead of spending all its energies on crisis management. The pendulum could also swing the other way. A figure such as Dr Androsch can appeal to bourgeois voters without whom the Socialist Party cannot hope to regain its absolute majority in the parliament.

On the surface the most obvious change since the resignation of Dr Kreisky is that the Sinowatz Government is finding it increasingly hard to tie the opposition to the chariot of government. Dr Kreisky was a past master at this art and thrice secured opposition support for financial packages designed to keep the state-owned industries afloat. Last year a fourth such package, worth Sch 16.6bn (about £590m) failed to win opposition support.

It was a case of the "less bland" opposition policies that Dr Mock has been calling for. Yet it would be a mistake to deduce that the widespread consensus in Austrian public life is at an end. Herr Sepp Wille, parliamentary leader of the Socialists, leader of the engineering union, and a political figure of considerable individuality, says that Government and opposition were not really so very far apart in their attitudes to the state-owned industries.

He has also seized upon the suggestion of Herr Rudolf Sallinger, head of the chambers of commerce organisation, that the Government ought to cut red tape to help business. A new entrant trying to launch out into business, so Herr Sallinger said, has to deal with close on 100 offices, bureaux, departments and commissions before hanging out his shingle.

By themselves these may only be relatively insignificant incidents. Yet potentially there is a basis for co-operation at some future date between the Socialists and the People's Party. In the population at large, probably excepting the really young, there is a nostalgia for the Grand Coalition between those two parties in the 1950s and 1960s. There are some who would also like to bring in the liberals, the only other party represented in the parliament.

What makes that so odd is that one might suppose that in a Grand Coalition, let alone an all-party government, politicians would be tempted to flout popular wishes and needs altogether. As it is, the political profession commands scant respect among the Austrian people.

When opinion researchers investigate popular attitudes to certain groups and professions, the politicians regularly come near the bottom of the poll. Oddly government ministers do much better — either a compliment to the successful way in which, on balance, the country has been run; or a hangover from respect for paternal government in the past.

The contempt in which the average politician is held has no doubt been aggravated by scandals that have occurred in connection with construction projects in several Austrian regions. Members of both major parties have been subjected to investigation by the public prosecutor. Some have been convicted. Isolated cases of this sort have always been part of the *mores* in the country. But they add to the cross currents in Austrian politics.

THE SWING OF THE PENDULUM

Election	Seats OeVP*	Libs†	Socs	Government	Chancellor
1966	85	6	74	OeVP*	Josef Klaus
1970	78	6	81	Soc minority	Bruno Kreisky
1971	80	10	93	Socialist	Bruno Kreisky
1975	80	10	93	Socialist	Bruno Kreisky
1979	77	11	95	Socialist	Bruno Kreisky
1983	81	12	90	Soc/Lib	Fred Sinowatz

* Austrian People's Party. † Party for Freedom.

PROFILE: DR. ALOIS MOCK, OPPOSITION LEADER

Enjoying increased authority

DR ALOIS MOCK, leader of the Austrian People's Party, failed to win the parliamentary elections of last year: but he did break the absolute majority that the Socialist Party had enjoyed for more than 10 years.

His followers looked upon that as almost a victory and Dr Mock has correspondingly gained in confidence and authority. His party always has been an unruly lot, racked by conflicts between farmers, business, public servants, and a workers' and clerical section from which Dr Mock comes.

But since the election Dr Mock has been little plagued by intrigue, even though things have not always gone smoothly in the party. The leader's adherence to a market-oriented philosophy has at times conflicted with regional interests, especially in high unemployment areas.

Dr Mock calls for a fundamental change of direction of Austrian economic policy. The budget, now in deficit to the tune of some Sch 60bn a year, should be put right in four years; managements of deficit-ridden, state-owned industry should be given a set period to put things right—or else. There should be a fundamental change of direction to encourage business to invest and people to give of their best. "We rely primarily on motivating the individual again," he says.

Given such a change, Dr Mock offers his support to the Government. Otherwise he will oppose it as he did when state-owned industry received a hefty subsidy last year on conditions not measuring up to his criteria.

But it is as well to recall that Dr Mock is an Austrian politician. He likes to cite an adage that if you want to get people together, let them talk. "I believe that is an important part of Austrian mores," Dr Mock says. And if you press him about the market economy, he will say that he believes in it—"but we have never been purists."

That is partly common sense; partly the knowledge that the People's Party is unlikely to win outright the next election, whenever it comes. Under such circumstances it makes no sense to slam doors.

Dr Mock, an eager and young looking 49, comes from a rural part of Lower Austria, the region surrounding Vienna. His father was killed in a road accident before the boy was born. The family had a background of small business and farming, a combination characteristic of the country. During the Third Reich the family lost its dairy and sustained itself with a small trucking business. While at university Dr Mock still took holiday jobs driving a lorry.

W. L. L.

Big increase in public sector borrowing

New tax on interest hits savings accounts

Bank of the local farmers' co-operative at Ebenau, near Salzburg. Along with the joint stock banks and the savings banks, the farmers' or Raiffeisen banks are among the chief groupings in the Austrian banking industry.

Banking

PATRICK BLUM

FINANCIAL INSTITUTIONS in Austria have just concluded an uneven year. When the banks' annual reports are published final results should show continued growth, albeit more modest than in 1982, reflecting in part slower economic growth overall.

Described variously as a year of stagnation or consolidation, 1983 was disappointing in some ways but at least it saw no major crisis.

The banking community has fully recovered from the impact of the 1979 Banking Act which in effect allowed all banking institutions to turn themselves into universal banks on the West German or Swiss model. The formerly sectionalised banking community rushed into new areas of business. In practice, though, the various banking groups—commercial banks, savings banks and other specialised institutions dealing with agriculture and small businesses—have broadly retained their original market base and share.

Average volume growth for the banks which in 1982 was around 10 per cent is expected to fall to 6-8 per cent in 1983. A poor investment climate with uncertainty about the direction of government economic policy led to low credit demand especially from industry. Loans to industry were down by about 2 per cent and total domestic lending would have fallen substantially but for high demand for loans from public institutions. Public sector and government borrowing grew by about 50 per cent in 1983. "The Republic," says Creditanstalt Bankverein deputy chairman Dr Guido Schmidt-Chiari, "was the most important borrower in 1983."

Expansion

This helped to maintain a degree of expansion of overall credit demand. Total bank loans increased by about 6.5 per cent.

Other factors influenced domestic borrowing. Companies borrowed less as interest rates remained relatively high. Dr Schmidt-Chiari says that many of Creditanstalt's industrial and commercial customers now have better cash positions. The earnings of small and medium sized companies — especially those in the consumer market— improved in 1983.

The other notable feature of 1983 was the stagnation of savings accounts which represent cheap money. Dr Schmidt-Chiari argues that final figures will show a slight increase of savings accounts only because interest is credited. "Without this we should have a decrease in savings accounts," he says.

Dr Karl Pale, chairman of Girozentrale which is both a commercial bank and the savings banks' clearing bank, agrees that it has been a poor year for savings but that there would still be growth of about 7 per cent of savings accounts overall—about half the level of more successful years.

The fall in savings deposits is almost universally attributed to the Government's introduction of a 7.5 per cent flat rate tax on interest payments. Since the idea was floated several years ago it has aroused much criticism.

In the end the Government decided to go ahead, although with a lower tax than had originally been feared. The tax was originally devised to subject to some form of taxation the anonymous savings account which Austrian law tolerates. That anonymity has been preserved: the tax is deducted by the banks at source.

With real incomes stagnating or showing only a marginal increase people tended to save less or draw on their savings. Herr Konrad Rumpold, one of the four managing directors at Osterreichische Landerbank says: "For years we have been telling people to save money as a safeguard or to use later if they need it. And that's exactly what they did."

The Government's decision to raise value added tax on a wide range of goods starting on January 1 also played its part in encouraging consumption rather than savings at the end of the year.

One of the brighter spots on the domestic scene was the buoyancy of the bond market. According to Dr Pale, 1983 was a near record year for the market with the gross value of all issues for the year topping Sch 100bn (about £3.6bn). The high demand for bonds, especially towards the end of the year, was partly caused by the introduction of the new withholding tax.

Interest on bonds issued before January 1 is exempted from the tax—providing an extra incentive to buy before the new year. "There was clearly a lot of anticipated buying," Dr Pale says.

The banks also had some success with the participation certificates launched 1½ years ago. The money raised by these certificates is invested in small industrial businesses. Individual investors are encouraged to subscribe by very favourable tax concessions. The certificates appear to be popular and some Sch 2bn worth have already been sold, providing a welcome boost to bank income from fees.

Among individual banks, Laenderbank, which ran into difficulties in 1980-81 after the collapse of three of its industrial debtors, expects a small increase in profits for the second year running.

Creditanstalt - Bankverein, Austria's largest bank, is not expecting much improvement on last year's performance. Growth should be lower than in 1982. "We had better earnings on the foreign business side but on the domestic side we are struggling," says Dr Schmidt-Chiari.

Girozentrale's balance sheet total has risen by about 9 per cent to around Sch 213bn. The bank's international business was especially satisfying, Dr Pale says.

Over the years Austria's major banks have gradually increased their international activity. They have joined international groups, opened representative offices and, more recently, branches overseas. All have seen their share of foreign business grow.

Trade patterns and tradition have ensured close links and considerable business for the banks in Eastern Europe. The banks' exposure in Eastern Europe has caused some concern but much of the business is guaranteed by the state through the Kontrollbank, the export financing and export credit guarantee institution, limiting the risk of individual banks.

Creditanstalt maintained its lead among Austria's banks, with foreign business now accounting for near 50 per cent of its balance sheet. As with the other banks the rise of the dollar accounts for part of that increase but the bank has also continued to build its foreign business, with emphasis on short term trade and commodity financing. The London branch provides full commercial banking services and is now paying for itself.

Philosophy

Laenderbank's foreign business also grew in 1983, although more modestly by 0.5 per cent, bringing it to around 33-34 per cent of its balance sheet. The bank's overseas presence was strengthened with a new joint representative office in Singapore, adding to its representative offices in Amman, London and New York.

The Singapore office, set up in co-operation with other Austrian firms, provides support and services for Austrian companies unfamiliar with the local market. There are now plans for turning the London office into a branch.

Girozentrale saw its foreign business grow by about 2 per cent to represent 30 per cent of its balance sheet in 1983, thereby continuing its cautious build-up of foreign business. Much of this was done by its London branch, which made a good profit last year.

GROWTH OF THE BANKS

(Sch m at end of period)

	Total assets	Foreign assets	Foreign liabilities
1980	1,858,724	314,473	362,368
1981	2,120,577	382,745	436,281
1982	2,537,483	454,087	478,810
Oct 1982	2,270,714	440,625	463,666
Oct 1983	2,489,152	514,183	518,952

PROFILE: DR. NORBERT STEGER, VICE-CHANCELLOR

Under attack from all sides

DR NORBERT STEGER, the Austrian Vice-Chancellor, must sometimes wish he could just be left alone to do his job.

Not that he doesn't enjoy the attention and the perks that come with being in one of the government hot seats. But the barrage of criticism he faces—from the more conservative sections of the Press, from the ranks of his coaliton partner, the Socialist Party, and even from within his own party—is unrelenting.

A lawyer by profession, a *bon viveur* who enjoys skiing, tennis and music in his spare time, Dr Steger at 39 is leader of the Party for Freedom or liberal party, Vice-Chancellor and Trade and Industry Minister rolled into one.

The liberal party has political, personal and regional divisions. The coalition with the Socialists does not meet with unanimous approval among the liberals.

With characteristic frankness, Dr Steger brushes aside the criticisms: "It's the only chance for us to be in government now and influence decisions. Co-operation with our Socialist partners is good; the political climate and discussions are good. Of course there are big differences between us. We have to make some compromises."

It is too early to assess the liberals' contribution to the Government, but Dr Steger says they have had some success in their efforts to reduce direct taxation and in contributing to greater economic realism from government.

Representative

He is not against subsidies but feels public money should not be used simply to keep companies running. "The mistake is not giving the money, but giving it so that old industries can continue as they are." What is needed, he argues, is new ideas, new products and new industries.

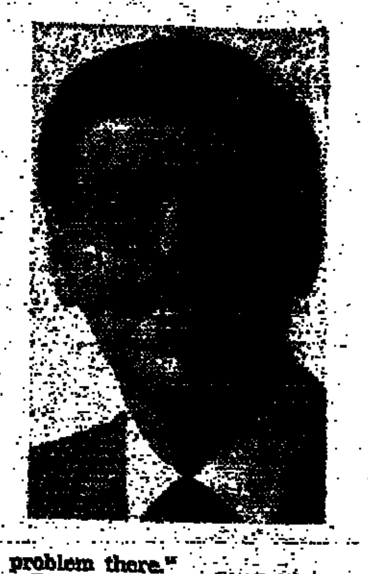
The liberal party is politically heterogeneous and recent months have seen mounting public criticism of Dr Steger's leadership particularly from Carinthia party leader Dr Joerg Haider. Dr Haider is an outspoken exponent of the so-called "national" wing within the party.

Some members of his party have failed to adapt to being in a party of government, Dr Steger says. "They keep running to the Press with complaints about the Government. But that will not continue. They will realise that this isn't the best way to go about things. The party must speak with one voice so that people know where we stand."

Dr Steger is determined to put a liberal stamp on the party as a whole. "The leader has to decide what is to be the party's philosophy and I'm sure that my liberal philosophy will win out," he says.

The right wing harbours Germanic national ideas and plays upon patches of xenophobia. In Carinthia it has occasionally resulted in conflicts with the Slovenian minority.

With elections due in March in the state of Salzburg, it would seem ill-advised for the liberals to fuel their internal dispute. "We have lost every election in Salzburg for the past 15 years. So I think it is fair to say that there must be some problem there."



But given a little more time people will see the benefits of having the liberals in government, Dr Steger argues. "We are in the coalition until the next elections in three-and-a-half years' time. After that we shall see."

P.B.

PROFILE: RUDOLF SALLINGER, HEAD OF THE CHAMBER OF COMMERCE ORGANISATION

Voice of Austrian business

THE VOICE of Austrian business is not an internationally celebrated manager nor a silver tongued lawyer or other academic: it is Herr Rudolf Sallinger, skilled bricklayer who controls a stonemason's yard employing some 50 people and, since 1965, head of the almost legendary Austrian Chamber of Commerce organisation.

In that capacity he is one of the men on whose shoulders rest the much admired institution of social partnership in Austria. His opposite number is Herr Anton Benya, head of the trade union organisation. The third partner is Dr Fred Sinowatz, the head of Government. Often has it been said that the real decisions in Austria are made, face-to-face or on the phone by Herr Sallinger and Herr Benya.

Herr Sallinger, an earthy 67-year-old, denies this. "We are not an alternative government," he barks. "The chamber is the representative of the business interest." It can fulfil that function because since the 19th century Austrian law requires every business, from bank and steel mill to corner store and plumber, to belong to the local chamber.

The chamber organisation, together with representatives of labour, the farmers and the government, forms the celebrated Parity Commission which, without executive functions, has been the organ of social consensus in Austria. It works through voluntary wage and price restraint and is generally held to be one of the secrets of the country's economic successes.

But the chambers have three other important functions: they play a part in collective bargaining: they run the network of foreign trade representatives who serve Austrian importers and exporters world wide; and they organise lectures, seminars and courses without which a country of a myriad of small employers could hardly hope to keep up with managerial and technological innovation.

Bright

Herr Sallinger sees himself as a kind of lightning conductor for entrepreneurs when he goes on tour around the country. "Entrepreneurs are often quite content to be able to share their worries," he says. "Frequently, they do not even know that they can be helped, while at other times they know no help is available. But they do wish to let off steam."

Has social partnership suffered during the recession and the years of Socialist government? The strains have become evident, yet Herr Sallinger sees a brighter side. The Socialist Party has of late acquired an attitude more friendly to business, he says. Moreover, nobody has yet thought of something better than the system. That is Herr Sallinger's answer to those in and outside Austria who believe that partnership is apt to preserve outmoded industrial structures.

Herr Sallinger may be right since, outside the crisis-wracked state-owned sector, Austrian industry consists mainly of small and very small units. That creates an important reserve of flexibility; it also places industrial relations on a human basis.

By tradition, the head of the chamber organisation comes from small business. Herr Sallinger says that he represents all his members, but that he has an especially soft spot for small industry.

His own small business is carried on largely by relatives but Herr Sallinger is there at 6 am to hear what is going on, and once again before midnight.

His enthusiasm for social partnership is obvious. But if you really want to hear him bubble over, ask about natural grown building stone like marble or granite, not that man-made concrete stuff.

W.L.L.

Modest growth achieved despite restrictive financial policy

Exports improve outlook

A SPURT of exports has caused forecasters to increase their estimates of the performance of the Austrian economy this year. The Wifo economic research institute of Vienna now expects real growth of 1.5 per cent. It has also revised its estimate of last year's growth upwards to the same level.

The main support for growth last year came from a consumer boom: demand for cars especially expanded greatly, as in many other countries. In Austria the phenomenon was enhanced by the knowledge that Value Added Tax was to go up at the end of 1983.

The resultant bunching of demand is likely to lead to a reaction this year. Wifo expects a real contraction of consumer demand of 1.5 per cent, following a 3.5 per cent expansion in 1983. Exports on the other hand are expected to grow by 5 per cent for the second successive year.

It is notable that the resultant modest but steady economic growth is being achieved at a time of a restrictive financial policy adopted purely for fiscal, not conjunctural reasons. Were it not for the budget, growth in 1984 might be about one percentage point greater.

On the negative side industrial investment is expected to increase no more than slightly this year after a succession of years in which it contracted. The recovery is not expected to become strong enough for the process to become self-supporting.

Worse, as in so many other countries, the recovery is unlikely to arrest the increase in *unemployment from a rate of* 4.5 per cent in 1983 to 5.2 per cent this year. By international standards that may not seem especially high. But by Austrian standards it is. Unemployment has become the hottest political issue in the country.

The Government of Dr Fred Sinowatz, a Socialist, has recognised at least in theory that the method chosen in the 1970s of combatting unemployment by deficit spending has, for fiscal reasons ceased to work. The budget could no longer stand the strain. The budget for 1984 foresees a deficit net of debt redemption of Sch 62bn (about £2.2bn) compared with an actual deficit of Sch 68bn in 1983. Dr Herbert Salcher, the Minister of Finance, describes this as a beginning of the process of consolidation.

So far consolidation has been attempted almost exclusively by raising taxes. Nothing of note has been done to reduce the deficits of the various social security funds and of the state railways which between them swallow up almost one third of federal expenditure. It has become common ground that *savings there are essential*, but the political price for them could be high.

PERFORMANCE AND PROSPECTS
Year-by-year changes in %

	1981	1982	1983	1984
Gross Domestic Product (real)	− 0.1	+ 1.1	+ 1.5	+ 1.5
Gross investment in plant and equipment	− 1.7	− 5.4	− 2.2	+ 2.0
Merchandise exports	+ 4.8	+ 1.9	+ 5.0	+ 5.0
Merchandise imports	− 4.0	− 1.6	+ 4.5	0.0
Merchandise balance (in Sch bn)	−77	−62	−59	−50
Current balance	−21	+ 8	+ 6	+19
Consumer price index	+ 6.8	+ 5.4	+ 3.3	+ 5.3
Unemployment ratio (in per cent)	2.4	3.7	4.5	5.2

Source: Wifo.

The Economy

W. L. LUETKENS

The Sch 16.6bn made available to state industry in the autumn is surely not enough to solve the problems of concerns that have the misfortune to be largely engaged in declining industries such as making steel. The need to restructure is widely accepted, but theory and practice do not always coincide. Whenever dismissals threaten, the tendency of both Government and opposition is to avoid harsh measures.

In particular the idea of some kind of work sharing is ever present. Within the Government there is some support for reducing the working week to 35 hours, but legislation to that effect is improbable. The unions, too, are likely to tackle the matter very cautiously, sector by sector, or in individual cases.

Needless to say the opposition opposes any such plan for the time being. It even demands that the extra week's annual holiday granted by law last year (up to a maximum of six weeks for people with 25 years' service) ought to be suspended until the economy improves.

Herr Robert Graf, opposition spokesman on economic policy, complains that for half a decade Socialist-controlled governments have struggled to save jobs in state-owned industry rather than to create fresh employment in new industries. There is something to his criticism, though it is not fully fair. For instance, a General Motors branch plant was *attracted to Aspern*, near Vienna, admittedly at inordinate costs in subsidies.

How good that investment was is likely to remain controversial for a very long time. The opposition keeps on demanding support for small industry rather than for state-owned industry or for large scale ventures, pleading the adaptability and openness to innovation for which small and medium Austrian business has quite a name. A number of companies of this kind have, indeed won positions on the world market far greater than one might expect from a small country such as Austria.

Though state-owned industry is also attempting to restructure, for instance in the micro-electronics field, it is from private business that the initiative for modernising Austrian industry has so far largely come. The evidence of how successful the process has been is difficult to analyse. It has been argued that restructuring must be working since Austria has been increasing its share in world export markets.

However, the picture varies depending which base year you take. Market shares did, indeed grow in the 1970s until about 1978, but they have mainly stagnated since. Dr Helmut Kramer, head of Wifo, sees the first phase largely as the result of Austria integration into the industrial (but not agricultural) free trade of the Common Market.

That period of growing market shares coincided with a phase during which the Austrian schilling appreciated. It is likely, therefore, besides the effects of world recession, that Austrian exporters have been hit by lagged effects of the higher exchange rate.

None the less one no longer hears complaints against the strict hard currency policy pursued by the National Bank. Its President, Prof Stefan Koren, says that not so long ago he was criticised for obstinately keeping up the schilling (which, in effect, meant keeping it in line with the D-Mark). Now it has been accepted that his policy which, surprisingly was supported by the trade unions, was salutary because it exercised *continuous* pressure to tackle structural problems.

There have been moments when the policy no longer looked sustainable. But the current account has recovered strongly. A deficit of Sch 21bn has turned into a surplus of Sch 6bn in 1983, and a surplus of Sch 19bn is forecast for 1984.

That reversal is in part due to a lower level of domestic activity in a country that is extremely dependent upon imports. It was helped along also by the recent strength of the U.S. dollar which helped the competitiveness of Austrian goods in the Americas but also, for instance, in Opec countries.

The reverse effect of pushing up import prices with the inevitable inflationary consequences has not, or not yet become marked. The softness *of oil and raw material* prices is a main reason. From a payments viewpoint, therefore, Austria has entered 1984 in a distinctly strong position.

Where domestic policy attitudes are concerned the most that one can say is that during its eight months in office the Government has made a beginning. The budget is not yet under control, but first steps have been taken and others are intended. Dr Sinowatz has signalled his realisation that state-owned industry needs to be restructured and that, in the last resort, he is ready to accept closures. The funding of an elaborate welfare system has been put up for public discussion. But a great deal of political courage will be required to translate theory into practice.

Tourist authority pursuing an expansionist policy

Emphasis placed on improving quality

THIS YEAR Austrians will celebrate 100 years of tourism. In April 1884 delegates from local tourist boards throughout the German-speaking parts of the Austro Hungarian empire assembled in Graz. "That event marked the beginning of organised tourism in Austria," says Dr Helmut Zolles, head of the National Tourist Office.

Frontiers may have shifted since then, but tourism has grown to become an ubiquitous industry. Receipts last year declined slightly, by 2 per cent, but with earnings of about Sch 90bn (about £3.2bn) the tourist sector retains its position as *Austria's leading source* of external revenue. In 1983 tourism represented some 10 per cent of gross national product, compared with an average of about 2 per cent in all European OECD countries.

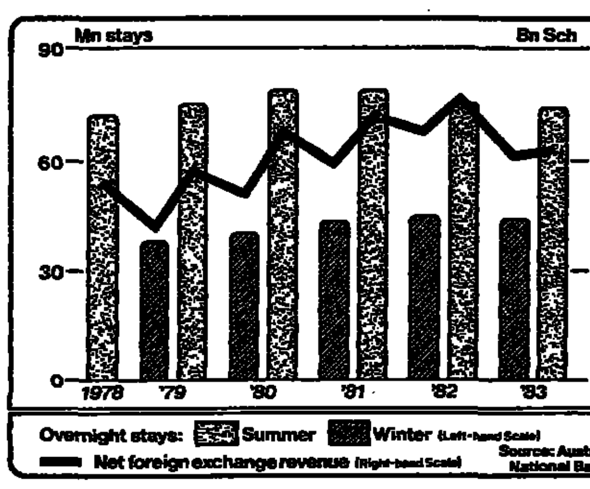
As an industry tourism is vulnerable to external factors, ranging from the lack of winter snow, to trends in the world economy and especially in the major European markets. Last year, for example, saw a dramatic fall in the number of tourists from France following tight controls imposed by the French Government on the amount of money people could *take out of the country*. As a result earnings from French tourists fell by about 25 per cent.

The rate of growth is falling back overall mainly because of the worldwide recession. By far the largest number of tourists come from industrialised countries, mainly Western Europe. West Germany accounted for about 66 per cent of all foreign tourists in 1983, although its share has dropped for the second year running by nearly three percentage points.

The Netherlands is the next most important source of tourism with 10 per cent, also down. Tourism from Britain, coming third with over 4 per cent, is slightly up.

Overnight stays fell by 2.4 per cent in the winter of 1982-83 because of poor snow conditons in December and January. Summer receipts failed to compensate and were down by almost 3 per cent. Figures for January—October 1983 show a fall of 1.4 per cent in total revenues.

Statistices alone fail to describe the very real benefits accruing to Austrians directly and indirectly from the tourist industry. In many small towns and villages income from tourists subsidises sports, leisure and medical facilities.



Source: Austrian National Bank

Tourism

PATRICK BLUM

Tourism provides jobs of course: over 120,000 people are directly employed in hotels and restaurants and thousands in other related industries.

Dr Zolles says that tourism often keeps a region alive by providing work that could not, because of geographical difficulties, be provided by other industries. "Take the Zillertal, in the Tyrol, for instance. This is a very popular tourist area now, but 100 years ago in the 1880s it was a depressed area. People would emigrate to the U.S. because they couldn't find work there."

In spite of the disappointments of the last two years, Austria's tourist authority intends to pursue an expansionist policy.

But this will not be easy. The tourist industry depends heavily on small family businesses. This reduces costs and allows for more flexibility but makes it more difficult to raise money. The businesses are often too small to permit efficient marketing. The regional tourist boards try to encourage hotels and pensions to band together to improve not only their marketing but also the range of services they can provide.

The emphasis is not in favour of more hotels and pensions, but the improvement of what already exists: "We do not want to expand hotel capacity too rapidly now, we want to improve quality. That is one area of investment. We also seek to consolidate basic services and infrastructure. We want to improve quality at all levels," Dr Zolles says.

Efforts are being made to build new markets and consolidate traditional ones. Tourism from the U.S. has increased from about 1 per cent in 1981 to around 4 per cent of the total. Other growth areas are Canada, Australia and South Africa. The strength of the U.S. dollar makes Europe cheaper for Americans, and Austria hopes to capture a substantial share of this growing market.

Marketing activities have been expanded abroad, particularly in the U.S. with the help of two full-time offices in New York and Los Angeles, and a joint office in Chicago.

The Tourist Board has some 20 full time offices overseas as well as facilities in 45 trade delegations. But this is still not enough, according to Dr Zolles: "The West German provinces spend more money to encourage Germans to stay at home than we spend on all our promotion," Dr Zolles says.

The German tourist industry also benefits from considerable expenditure by their national airline. Lufthansa, the West German airline, has 600 people promoting visits to Germany compared with Austrian Airlines' 20 people, he argues.

Conference business and catering for the health-conscious are areas of potential growth.

"People are increasingly concerned about their health, particularly older people in the industrialised countries.

Plasser & Theurer

An innovative successor to the rail gangs

Travelling along the tracks, this Plasser and Theurer unit corrects the horizontal and vertical alignment of the rails and places the required amount of ballast under the sleepers

IN THE popular imagination Austria is best known for Apfelstrudel and Waltzes but the railway expert knows better. Plasser and Theurer is easily the world's largest producer of equipment for laying and maintaining railway track. It has affiliates in every continent. Its machines, made in France, are used exclusively to maintain the French railways' high speed and high prestige train de grande vitesse (TGV). Of the concern's 2,500 employees, 1,200 are employed outside Austria in affiliate companies.

Yet Plasser and Theurer remains essentially a traditional Austrian company: family controlled, economy-minded with only a modest headquarters in a building that it shares with others in central Vienna; dependent largely on internal finance, with no outside shareholders; and characteristically shy of publicity. The figure of about Sch4bn (about £148m) consolidated turnover a year is not officially published.

The business was started in 1953 by Herr Franz Plasser, whose widow is still a main shareholder, and a young engineer, Herr Josef Theurer. They had recognised that the age of the railway gang laying and maintaining track with simple tools was at an end. The future belonged to increasingly mechanised ways.

Their first product was a hydraulic tamping machine designed to keep tracks level and safe by correctly packing ballast under the sleepers. The technology has been constantly improved. In 1935 three machines and 42 men needed one hour to tamp 350 metres of track. By the 1960s one machine and three men provided the same performance.

In 1968 Plasser & Theurer was first in the world with a machine on the assembly line principle to tear up and relay the track along which it travels. The machine is like a gigantic crocodile that swallows the old and deposits the new. It is manned, on average, by 11 men and can lay 300-400 metres of track within an hour. Oncoming traffic on a double track line is not blocked.

Premier position

Without this sort of technical innovation, the company could never have achieved its premier position in the world. But two other elements need taking into account. The realisation that service has to be provided at all costs; and the realisation that the delegation of a substantial part of production to branch plants in client countries would provide flexibility and help to surmount trade barriers.

To this day most of the R & D is done in Austria, but the products can be adapted to the needs of national railway administrations by plants nearer to the spot.

The three principles of management have served the company well so far. Provision for the future has been made in at least two ways. Production has been cast increasingly on a modular system, enabling the shops to assemble components as demanded by what is essentially a made-to-measure line.

No less important, family control has been complemented with a managerial structure intended to carry into the future a business started by two men of vision.

W. L. Luetkens

THE STATE HOLDING COMPANY
Principal affiliates of OeIAG (in Sch m)

Company	Industry	Assets fixed*	Turnover gross†	Dividends§
Voest-Alpine	Steel, engineering	18,534	45,403	Nil
Voest affiliate: Vereinigte Edelstahlwerke (VEW)	Special steels	4,157	9,891	Nil
Simmering-Graz-Pauker	Rolling stock, engineering	738	2,964	Nil
OeMV	Oil	18,456	57,211	210
Chemie Linz	Chemicals, plastics	3,101	12,854	Nil
Elin-Union	Electrical engineering	1,412	7,555	Nil
Vereinigte Metallwerke Ranshofen-Berndorf	Aluminium, copper, brass and products	1,353	6,351	Nil

* At end-1982. † 1982. § For 1982.
Source: Annual report OeIAG for 1982.

Most private companies are smaller, more manageable and therefore less vulnerable

Tough year ahead for state sector

Industry
PATRICK BLUM

AUSTRIA'S proverbially calm industrial scene may be heading for a bumpy year as some major companies seek to trim their loss-making activities.

Chief among these will be companies in the nationalised sector which recorded overall losses of more than Sch 5bn (about £178m) for the third year running in 1983.

The thriving private sector should be less vulnerable. Most private companies are smaller and more manageable than their nationalised counterparts and have greater flexibility and capacity for adaptation. But some companies owned or partly owned by state-controlled banks could face problems.

The controversy early this year about Steyr-Daimler-Puch's decision to make 900 workers at its Steyr plant redundant may be a harbinger of things to come.

Steyr-Daimler-Puch, which is controlled by Creditanstalt-Bankverein, has been making losses as a result of a fall in vehicle orders, the decline of Europe's motorcycle industry, difficulties besetting its Nigeria operation, and the refusal in 1980 of an export licence to sell Kuerassier light armoured tanks to Chile. That decision left about 150 Kuerassier tanks standing around unsold. The Government may now step in and buy some of the tanks to help the company.

Discussions began between the company, the unions and the Government about ways of saving at least some of the threatened jobs. A complicated proposal, involving direct state subsidies, company financing and cuts in working time and pay is being considered.

Another Creditanstalt holding, the tyre-making company Semperit, has also been losing money and could run into similar difficulties. The bank has made no secret of its desire to reduce its direct industrial involvement and reductions are planned.

However, the nationalised industries present the greatest problem. Austria's nationalised sector is one of the largest of any western country. The bulk of the most important industries were brought into state ownership shortly after World War Two.

Crucial

Since then they have played a crucial role in Austria's postwar recovery. Total sales last year of about Sch 173bn (about £6.2bn) represented about one fifth of the value of total industrial output. Exports worth Sch 64.5bn amounted to between a fifth and a quarter of total exports. About a quarter of all industrial investment went into the public sector which still employs about 104,000 workers, approximately one sixth of the industrial workforce.

But in spite of several attempts to rationalise production, the state holding company for the nationalised industries, OeIAG, has seen its losses mount.

The Government has had to foot the bill with ever-increasing subsidies. Between 1979 and 1983 OeIAG received subsidies totalling Sch 10.5bn. Last autumn the company had to release Sch 4.7bn, of which Sch 3bn went to the steel and engineering concern Voest Alpine, to cover losses for 1983.

In December the Government finally approved a third restructuring and rationalisation programme for OeIAG which envisages a capital injection of Sch 16.6bn over the next three years. The money will be borrowed, but debt service including redemption will come from the federal budget.

The programme aims to cut losses within three years at least in the manufacturing sections of the group. If that cannot be achieved then closures of plants and production lines will follow, says OeIAG chairman Dr Oskar Gruenwald. Allowances will be made for sections of the steel and mining industries.

Voest has just received Sch 3bn to cover losses for 1983 and expects to need similar support in 1984. Heaviest losses were in the steel works but other activities also suffered. Elin-Union, the electrical engineering company and Chemie Linz both made losses.

There were, however, some positive developments. Ranshofen-Berndorf, the aluminium producer, continued to improve its performance and made a profit in 1983 as did OeMV, the oil, refining and petrochemical company. And the engineering concern Simmering-Graz-Pauker broke even, Dr Gruenwald says.

The rationalisation programme aims to cut losses through improvements in productivity, more diversification and cuts. There may well be union resistance to further plant closures or to reductions of the workforce and conditions, bonuses, pension rights and

"We recommend cuts of fringe benefits and we are negotiating these reductions in several parts of the group," says Dr Gruenwald, and he is optimistic that agreements will eventually be reached.

Deep cuts

He emphasises that this is not a change of management policy: "Since the mid-1970s we have aimed to restructure.

"What we did not expect was such a change in the market. We hoped to maintain some plants and production lines until the market picked up again. But with the changing market we have to give up more production lines than we thought originally, and cuts have to go deeper than we expected."

Dr Heribert Apfalter, president of Voest, is emphatic about the need to restructure, especially in the special steel company VEW. "For practically seven years we have been trying to improve the company but it wasn't possible because of the politicians. Meanwhile the market has deteriorated."

Discussions are currently taking place about further cuts and the closure of one of the steel plants at Ternitz in Styria with the loss of about 3,500 jobs.

"We used to have three plants. We closed one at Judenburg some years ago leaving Kapfenberg and Ternitz. In our opinion we should concentrate steel production in Kapfenberg and close Ternitz," says Dr Apfalter.

The plan is to cut production from the current capacity of around 270,000 tonnes a year to 160,000-180,000 tonnes a year. This year will see a further reduction of 2,000-3,000 in the workforce of Voest excluding VEW. There will be more reductions in Donawitz next year.

However, it is not all bad news. For the past decade Voest has worked hard to diversify its production, with some success. It entered the electronics industry three years ago with two plants of its own and more recently in a joint venture with the U.S. electronics company American Microsystems (AMI). The plant was officially opened in October.

Plans for three other joint ventures in applied electronics and robotics are in hand. Discussions with American and Japanese companies could be concluded this year.

For a country the size of Austria exports are crucial. Over one third of OeIAG total sales were for the export market. Exports accounted for close to 75 per cent of Voest's total sales. Voest has 44 liaison offices and companies abroad, and exports to over 100 countries.

"We believe that the future of the company depends on exports. Austria is too small for us," Dr Apfalter says.

Constantia

Successful mix of old and new

NO NEWS is good news: one of the largest Austrian private industrial groups, has contrived to keep out of the headlines. That's how owners and management like it, but there is another reason for the silence. The group has kept out of trouble during the difficult days of recession. All of its established members are in profit according to those who ought to be in the know.

Like much else in Austrian industry, the Turnauer group is the work of one man, in this case the 76-year-old Herbert Turnauer. He comes from a family of industrialists that lost most of its holdings in Czechoslovakia at the end of the Second World War. In Austria he started again almost from scratch, making paints and varnishes as the Turnauers had done in Czechoslovakia before.

From that small beginning there has grown a diversified conglomerate with an estimated consolidated turnover of Sch 6.5bn (about £230m) in 1983. If one excludes state-owned industry, that is far from modest by Austrian standards. An export share of more than 50 per cent speaks well for the competitiveness of the group's products.

The chief of these are fine papers, including wood-free qualities for copiers, produced by the Neusiedler company. Sales of these products came to about Sch 2bn. Another Sch 2bn came from a spread of chipboard, laminates, and other boards produced largely in the Isovolta and Funder companies. Packaging, both aluminium foil and corrugated paper, contributed Sch 1.2bn.

So far this sounds like the account of a successful, but traditional, Austrian industrial empire. But the Turnauer group has been undergoing a far-reaching transformation since the 1960s. Not only has it branched out into electronics; more important, the head of the family has installed a group of mostly young professional managers as managing partners. Each of them has a small stake in the Turnauer holding and managing company, Constantia of Vienna.

Constantia is intended to tighten up group management. But with four partners, one additional executive and three secretaries it is neither intended nor designed to run the various businesses from the centre. Producing companies to submit their corporate plans, report regularly on their execution—and get on with it in between times.

The founder and two other members of the family sit on the supervisory board. As controlling shareholders they obviously have the last word. But the two-tier managerial structure provides a depth of management not always found in family businesses.

Under this regime, a consultancy, Ecoplan Consult, has been set up in Vienna to perform a quasi merchant banking function, advising the group, but also outsiders, on possible takeovers. The company is not intended to provide finance. This venture as well as a leasing company falls into the special field of one of the managing partners, Dr Josef Taus, former head of one of the biggest Austrian banks.

His contacts in the banking world must have helped Constantia to broaden its presence in the financial services sector by launching, jointly with Erste oesterreichische Spar-Casse Bank, one of the venture capital funds that have lately sprung up in Austria. The Turnauer group has read the signs of the times not only by providing a new management structure, but also by branching out from manufacturing into the service sector.

W.L.L.

THE ARTS

Crafts Council Gallery/Roy Strong

Why Omega is the last word

I remember Violet Wyndham once saying to me that her son had complained that she had lived in proximity to the Bloomsbury Group and had never known them. "But," she exclaimed, "they were the sort of people one would never have had in the house!" The Bloomsbury industry bludgeons its way on into the 1980s seemingly unabated. It arose in the 1960s when its members were seen as forerunners of the sexual and other emancipations of that decade. What is surprising is that their uncritical cult is still going strong into an era far more serious that has no time for such personal indulgence and amateurism.

Let me say at once, although I have already placed my cards on the table, that *The Omega Workshops* at the Crafts Council Gallery (until March 8) is a well researched and presented exhibition. Bouquets all round to the team headed by Fiona MacCarthy. It is marvellous to see all this stuff put together, even although it confirms one's worst suspicions. The design by Ivor Heal makes the best of an awkward space and it also endows the products of the Workshops with a style and elegance which, in detachment, they rarely have. Any visitor to Charleston while Duncan Grant was alive will remember the utter chaos.

The Omega Workshops were the brainchild of Roger Fry. They flourished from 1913 to 1919 and were the expression of Post-Impressionism applied to "a totally new idiom in decorative art" with inspirational roots in the Weiner Werkstette and, more particularly in Poiret's Studio Martine. In the main, its purpose was to give work to young artists who tossed off designs for this and that which were carried out by others. With a clientele headed by Lady Cunard, Lady Ottoline Morrell and Irish Tree, it certainly had no Socialistic overtones.

A stroll through the exhibition tells the story: painted and marquetry furniture, above all screens, studio ceramics, hand-blocked fabrics, woven rugs, painted wall decorations, all conceived with a degree of expendability. Mastery of craftsmanship and technique was certainly not part of their philosophy. Gaiety, yes, even crudity of colour and shape and form, were its basic ingredients. Apart from a handful of objects — the fabrics, tapestry work and some of the ceramics — the results are undeniably depressing.

The Omega Workshops come across as a monument to amateurism and muddle. Running through is that deadly lack of seriousness and professionalism that has been the ruin of so much in this country. It is an attitude which goes straight on down to the Festival of Britain.

In 1919 Fry wrote of purchasing "a lot of rather common and amusing stuff at a dealer's in the country and painting it up to suit modern sitting-rooms." Where has one seen that before?: in the 1950s where a lick of paint on the lamp-posts, a bit of bright wallpaper on the chimney breast or the painting of Victorian furniture was all the rage.

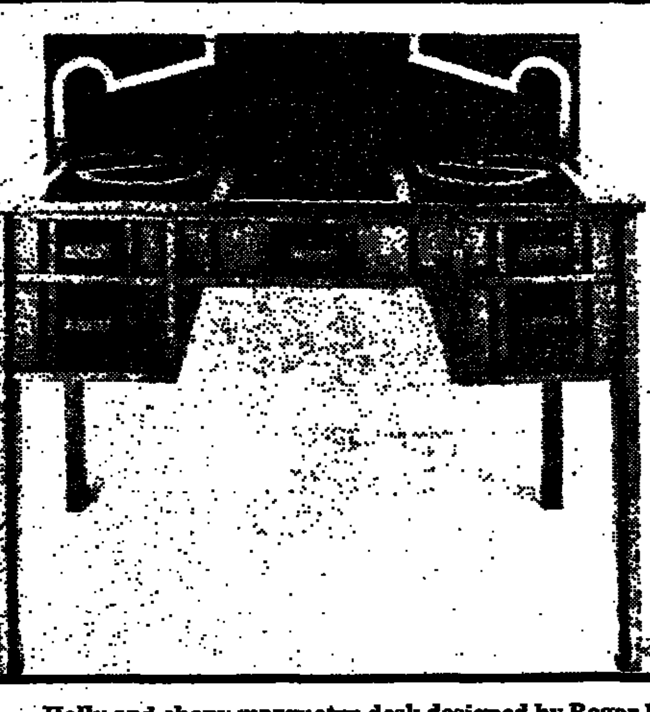
There is an irritating intellectual upper-class jokiness about the Omega scene from start to finish. It is summed up in Vanessa Bell's letter about the launching when it was proposed that aristocratic friends would be dined and then exposed to these wares: "There we should all get drunk and dance and kiss. Orders would flow in and the aristocrats would feel sure they were really in the thick of things."

Fiona MacCarthy's remark that people's reactions to Omega form a study in themselves is pretty acute. I will not conceal my rising hackles. To my mind it epitomises so much that has gone wrong. It stems from the curious notion that in order to raise the level of the arts of craft and design painters should be brought in. One only has to look at the results to realise that someone who has been trained to paint on a framed flat surface rarely is able to essay fabric design, ceramics, or furniture. Their ignorance of these crafts springs to the eye in the deplorable quality of most of it. Never did Fry utter a truer word than when he wrote: "Perhaps one of us ought to offer ourselves up and go to the Central School of Art and learn how to do it." Would that they had.

Which brings me to another point. The Crafts Council is about reviving and sustaining today's crafts and craftsmen. I find it difficult to reconcile the staging of this exhibition with its aims and purpose. It would make sense in the V & A or at Brighton. This is a museum exhibition about the past. It puts on display and apotheosises most of what the Council as conceived by Lord Eccles, is not about. Practising craftsmen should be up in arms at this takeover of *their* gallery.

A child of the late 1960s, the Crafts Council harnessed and encouraged the extraordinary renaissance in the crafts in this country. The amazing talent revealed in jewellery, woven textiles, ceramics, glass, embroidery, even furniture was exhibited and made possible through it. It was a movement fraught with inherent dangers, above all the dead-end alley of the extreme forms of artist-craftsman. To counterbalance that we now need the bridge to be built between the crafts and mass manufacture. We are at another crucial juncture in the eternal debate about fine art, design and craft which has gone on since the Industrial Revolution. What must not happen is that the Crafts Council is finally written up in history as yet another cause of this country's industrial decline.

To my mind the Omega exhibition indicates that the Council is facing backwards, not forwards. Bloomsbury, after all, produced good literature but second-rate art. The fact that the Omega Workshop flourished only during the First World War, when the fashionable couldn't get to Paris, and collapsed immediately after says everything.




Holly and ebony marquetry desk designed by Roger Fry for Lalla Vandervelde, and a Wilkinson ware dinner service designed by Vanessa Bell

The Fetishist/Old Red Lion

Michael Coveney

The Fetishist by Michael Tournier is the better of a double bill of monologues at this pub theatre hard by the Angel Tube, transformed by the designer Tom Cairns into a clinical area of scrubbed floorboards, white walls and wash basins.

The first half is given over to an almost incomprehensibly mumbled, messily paranoid text by Bernard-Marie Koltes called *Twilight Zone* in which Trevor Laird suppresses his sexuality in the cause of the International Alliance; dribbles nonsense on the run in an alien community; blubbers on about whores and his mother, the unions and the bosses, himself and his shadow.

Tournier's piece, on the other hand, is a precise note from an asylum delivered by a French provincial survivor of a PoW camp with an all-consuming interest in recently inhabited female underwear. The manner in which this obsession is detailed and held up for our sympathetic inspection is a credit to author, translator (Barbara Wright), and the actor Christopher Craig.

Mr Craig looks suspiciously normal to start with. Tidy mackintosh, white shirt and tie, polished black shoes. But Antoinette, or rather her glove—her fabric hand, is his undoing. He is enticed by the material, and his war experience only confirms a susceptibility to the charm of clothes, albeit in reaction to a failed escape attempt in a prisoners' laundry van.

An interest in shoes is neatly conveyed by the actor coming out of a hunched posture with a raking inspection of the front row feet. But release from prison and marriage to Antoinette precipitates nemesis, with fear of human nudity leading to revulsion and a mad camper round the village square. Clothes, apparently, have little souls inside crying out for attention. If you think that sounds a bit twee, let me assure you that Mr Craig also gets away with two impassioned cries of "Long live frillies!"

Incident upon incident is sharply and memorably etched, with the hilarious climactic farce, a chase after a provocative glimpse of suspender belt along the Metro, immediately followed by a pathetic slump into shop-lifting trouble, collapse of marriage and institutional confinement. This is no sniggering matter. Nor is laughter banished. *The Fetishist* is a sly, wry and very entertaining hour in the theatre.

Alastair Muir

Trevor Laird in "Twilight Zone"

Capricorn/Elizabeth Hall

Max Loppert

The chamber ensemble Capricorn has organised an attractive set of four concerts for its 10th anniversary season. The first, on Tuesday, was a "classical" programme, classically neat and apt, of Schoenberg, Berg, and Webern, devotedly prepared, and conducted by Lionel Friend with the unassuming expertise and attention to detail for which his performances of 20th century music have become noted.

The concert opened, in somewhat cautious vein, with Webern's Concerto for nine instruments—there is more "swing" and intensity of statement in each of the three movements than was discovered here, though in point of balanced ensemble there remained a good deal to admire. In Berg's Chamber Concerto it soon became clear that the atmosphere had warmed up: led by soloists—Julian Jacobson (piano) and Elizabeth Perry (violin)—notable for their poise and unforced sharpness of characterisation, the music was given with splendid fluency. While there was never any resort to interpretative hyperbole, Berg's immense complexity of form and content proved no barrier to communicable enjoyment: indeed, I can hardly recall another account of the work in which the opposite was so continuously the case.

The apparent determination to perform *Pierrot Lunaire* with an emphasis on the shimmering beauty, delicacy, wit, and charm of the music and an equal avoidance of fake-Expressionist melodramatics brought forward a triumphant justification. Sarah Walker's judgment of exactly how to vocalise the lines—accurately as to pitch, yet with a bountiful variety of tonal shadings to differentiate her utterance from simple singing—made hers the fullest and richest *Pierrot* delivery of my experience, and her phrasing and colouring found eloquent response in each of the instruments in turn.

Kathryn Lukas/Wigmore Hall

Andrew Clements

Kathryn Lukas's recital of 20th-century music for flute at the Wigmore Hall on Tuesday was presented under the banner of the group Dreamtiger with whom she plays. It bore the title of "The Flute East/West," though the eastern element was very much reflected through the musical sensibility of the western tradition. Even without such a descriptive umbrella her programme was a comprehensive survey of the music written for the instrument in the last 80 years, necessarily made up of a large number of short items, but given some weight by the inclusion of Poulenc's sonata (taken a shade too quickly in its first two movements, nimbly tongued in the finale) and Roussel's *Joueurs de Flûte*, supply presented and delicately coloured.

In works for solo flute, the example of Debussy's *Syrinx* has been all-pervasive. Apart from the seminal work itself we heard Varèse's *Density 21.5* and, much in the same mould, the first British performance of Scelsi's *Pwyll*, written in 1954 and proving to be a mild, blameless incantation quite without the character or power to infuriate of his more recent works. Miss Lukas played all three with easy, unforced tone and generous phrasing. She added some more Debussy as a bonus: an arrangement for flute and piano by Donald Peck of *Bilitis*, the music he wrote in 1901 for a presentation of poems by Pierre Louys; later it was incorporated into the *Epigraphs Antiques*. The short pieces were given here with the Louys poems spoken by Miss Lukas, making a pleasant enough confection.

There was not too much substance either in the first British performance of Dieter Mack's *Kebyar* for flute and piano, avowedly derived from a study of Balinese gamelan, but proving over-civilised and underpowered. The most intriguing piece of programming brought into comparison two of the toughest nuts of the contemporary solo flute literature, Ferneyhough's *Unity Capsule* and Douglas Young's *Trajet/Interlignes*. Young, who had been Miss Lukas's secure accompanist, has produced the more successful concert piece; his triptych, rising steadily from alto flute, through flute to piccolo, is artfully shaped and finished.

Elgar/Festival Hall

Dominic Gill

For Elgarians, Tuesday's London Symphony Orchestra concert under André Previn was a feast, and those too for whom Elgar is more often wallpaper-music than not will have found much to enjoy. Not least, it was a real pleasure to hear the LSO on classic form again: rich, bright strings; accurate, responsive wind; and everywhere a *willing ensemble*.

In Elgar, of course, Previn is in one of his principal elements: that, and his flair as a romantic orchestral accompanist, made his direction of the evening's centrepiece, the cello concerto, especially gripping. The soloist Yo-Yo Ma, dressed the music (as I like it) in royal purple, and sustained it (as it must be sustained) with the raptest concentration: I haven't heard such fine string playing on any instrument for many months. His adagio oration was alive with a mesh of shifting colour — immaculate, *enraptured espressivo*. He gave the second movement on a knife edge, yet never lost the sense of largesse, of lyrical high-flying. His *sotto voce* before the finale's coda, and the orchestra's, too, had a wonderful breathless delicacy.

After the interval, Previn caught the accent of the Enigma Variations exactly right, neither too solemn nor too loudly obvious. I liked his treatment of Nimrod, firmly gauged, broad and rolling, restrained but not ponderous; and also his deft, almost amorous, reading of the eighth variation before it (my own favourite, perhaps because it is the most Chaikovskian, and the least Elgarian, of all the 15). The orchestral playing was consistently warm, vivid and secure.

Book Review/George Watson

Revolution through artists' eyes

Representations of Revolution 1789-1820 by Ronald Paulson. Yale University Press. £22.50. 398 pages

It is surprising how recently "revolution" achieved full dignity as a political word. For most of modern history, violent seizure of power in a state has been a pretty meaningless affair, except to those who happened to win power or lose it. Most people did not think it interesting. Why should they? After all, it was not even meant to alter anything for them.

1789 changed all that. It even changed the way men looked at their remoter past. Professor Paulson of Yale, in a study of how the French Revolution was presented in literature and the visual arts, makes an assumption still common in the West, not only in America: that events in the American colonies around 1776 were hailed as a revolution at the time. They were not. But the French Revolution was so potent an event in Western thought, as Burke and Acton proclaimed, that it is difficult not to interpret or misinterpret earlier convulsions, like Cromwell's or Washington's, by its light.

The French Revolution was a change, then, that changed everything: not just what men could henceforth seek out for themselves and win, but what historians could record and understand in the entire history of mankind. Revolution became "the master-builder of symbols," as Trotsky was to call it—concentrating into itself "all phenomena and all relations." It became the whole end of human existence, for some. That view would have greatly surprised Europeans before the 1790s.

Professor Paulson is a literary historian, strictly speaking, though he has cast his net into studies of Hogarth, Constable and Turner fishing for intellectual history in waters where all the arts of man mingle. Now he has attempted an epoch rather than an artist: the paintings of J. L. David before and after the French Revolution, the writings of Burke, Paine and Blake, the cartoons of Rowlandson and Gillray and the contemporaneous vogue of the Gothic, down to Wordsworth and Goya. His mixture of the arts is a deliberate tactic. Almost a hundred black-and-white illustrations scattered through the book, fuzzy as they often are, are essential to its purpose. The first generation of Europeans ever to dignify revolution into a cult needed all the arts that they had. One might, after all, have added Beethoven.

The "figuration" of revolution, then, for over 30 years after 1789, is a notable subject, if only because the French Revolution rapidly became the paradigm by which all such events were judged. But *Representations* is not the work of an art-historian, and few enough of its comments on painters are of much artistic interest. Nor is Professor Paulson tightly in control of his theories, or other people's though theorising abounds. Names like Marx, Freud, and Wittgenstein are scattered like chaff. Scraps have been taken from a rich feast of learning, but there is little attempt to arrange them convincingly. The tone is garrulous. The sexual references especially, compulsory as they are in any Freudian interpretation of the arts (or anything else), strike one at this late date as merely stale. To invite the reader to interpret revolution as either oedipal or oral-anal—either killing the father and reigning in his stead, if you follow me, or regressing to an earlier stage of development—is neither as illuminating here as it needs to be, nor as titillating as it would like to be.

The book has an odd way *with evidence, altogether.* When Gilbert White of Selbourne, towards the end of January 1793, noted in his journal the execution of Louis XVI and the song of the thrush heralding the return of spring, Professor Paulson invites us to believe that this indicates how the country parson could recall to mind the traditional notion of revolution as rotation or return, like the four seasons. But there is another possibility. White could have been noting spring and the death of a French king on the same day *because they happened to occur on the same day*. Diaries are like that.

The book leaves a sturdy suspicion that exponents of cultural history are inclined to have it easy. A literary historian might be tempted to praise it for its interest in the arts; an art historian for its acquaintance with political literature. The trick has been called Rising Between Two Stools. But the truth is that the book suggests only the most passing acquaintance either with political history or the world of art; it exemplifies the perils of writing to impress a circle rather than to enlighten or inform the world.

Saleroom

D'Oyly Carte costumes go with swing

Christie's South Kensington raised £31,680 for the D'Oyly Carte company when it sold its redundant Gilbert and Sullivan costumes at the Lyric Hammersmith on Tuesday night. The top price was the £480 paid for a costume worn by the Mikado; it had been estimated at £50-£100.

A costume for Ko Ko from the same operetta sold for £420, while a group of costumes from *Iolanthe* made £300. The lowest price was the £40 which secured a large quantity of white cotton sailor's trousers mostly bell bottoms, used in *H.M.S. Pinafore*, while five chorus girl outfits from the same operetta made £40. Many theatrical groups were bidding for the costumes which in most cases exceeded their pre-sale estimates.

At Christie's silver sale in London yesterday, which totalled £160,909, with 91 per cent sold, the highest price was the £4,644 paid for six Regency circular soup plates by Paul Storr. A pair of George III oval baskets and covers by William Pitts made £4,536 as did a George III circular salver and two matching waiters.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

January 20-26

Exhibitions

WEST GERMANY

Düsseldorf, Städtische Kunsthalle, 4 Grabbeplatz: Picasso sculpture. The 197 pieces – made of wood, plaster, bronze, wire wrapping and rolled iron sheets – span all periods. Ends Jan 29

Munich, Haus der Kunst, 1 Prinzregentenstrasse: The museum is showing chiefly Heckel's early work. There are paintings, drawings and watercolours. Ends Feb 2

Frankfurt, Städel, 63, Schaumainkai: The centenary of Max Beckmann, the outstanding German expressionist, is marked by 180 works from 1915 to 1933. Ends Feb 2.

Hanover, Forum des Niedersächsischen Landesmuseums, 6–11 Am Markt: paintings and clothes from the period between classicism and art deco. Ends Feb 29.

Munich, Hause der Kunst, 1 Prinzregentenstrasse: 125 oil paintings, objects, sculptures and drawings by Lucio Fontana, the Italian painter and sculptor (1899 to 1968), who found new means to depict space. Ends Feb 12.

LONDON

The Hayward Gallery: Raoul Dufy – a timely reminder that this hero of countless chocolate boxes and postcards, the acceptable face of modern art, was not only a significant painter but a Fauvist of peculiar character, a follower but no slave of Matisse, who later developed into a decorative artist of the first importance. His elegantly perfunctory notation, and his characteristic imagery – white sails in the bay, palm trees below the balcony, bright silks against the apple green of the racecourse, have been taken up and broadcast endlessly by lesser talents. His fabric designs and tapestries are especially remarkable in a beautiful and necessary exhibition. Ends Feb 5.

The Hayward Gallery: Hockney's Photographs – a brisk survey of Hockney's practical use of the camera from simple reference and aide memoire to photographic exercises. This latter aspect developed slowly but has speeded considerably in the past 18 months. The composite photographic image is no longer just a simple still life or portrait study, but a strange and intriguing image of an event, a sequence of action, a passage of time. Ends Feb 5

HOLLAND

Irish Culture from 3000 BC to 1500 AD in Amsterdam's Rijksmuseum until Feb 26. The Book of Kells, the most magnificent illuminated version of the gospels in Europe, is joined by a hoard of bronze, silver and gold treasures, all finely wrought and many of them encrusted with jewels – a reminder that long before its present troubles, Ireland had its golden age and was the last repository of Western art and learning to fall to the Vikings.

PARIS

Electra – presided over by Dufy's La Fee Electricité, an exhibition full of whirring and flickering apparatus shows the manifold possibilities of 20th-century artistic expression thanks to electricity and electronics. Musée d'Art Moderne de la Ville de Paris, 11 Ave President-Wilson, Closed Mon, Ends Feb 5 (7236127).

Raphael: Three exhibitions pay homage to the great Renaissance painter – born 500 years ago. The Grand Palais assembles, for the first time, most of the paintings and drawings from French museums, among them Le Petit Saint Georges, La Belle Jardinière and Balthazar Castiglione's portrait. Another exhibition shows Raphael's influence on French art from the 16th century to the present. Grand Palais (2615410). Closed Tue, Wed late closing. Ends Feb 13. The Louvre completes the anniversary celebrations with an exhibition of the most brilliant of Raphael's collaborators, among them Giulio Romano, and of his disciples. Louvre, Cabinet Des Dessins (2603926). Closed Tue. Ends end of Feb.

Friedrich: The German romantic painter's work viewed to Wagner's music at the Centre Culturel de Marais (2727332). Ends March 11.

NEW YORK

Cantor Sculpture Centre: Set against a spectacular view of New York atop the World Trade Tower, 35 Rodin sculptures are displayed in the enlargements and reductions carried out by Rodin collaborator and reproducer Henri Lebosse. One World Trade Center, 105th storey

Willem de Kooning (Whitney): This major retrospective with 250 works covering the artist's entire career is divided into drawing and painting and sculpture sections. Half the exhibits are drawings and there are 25 sculptures. Ends Feb 19.

Kandinsky (Guggenheim): More than 300 works limited to the early Russian and middle Bauhaus period from 1915 to 1933 is the second in the museum's comprehensive reconstruction of Kandinsky's peripatetic and prolific career. Also included in the show are the works of contemporaries including constructivists like Malevich and Lissitzky as well as German and Bauhaus artists like Moholy-Nagy Miles van der Rohe and Paul Klee. Ends Feb 12.

WASHINGTON

Hirshhorn: 136 works by 62 European and American 20th century artists illustrate the contemporary theme of Dreams and Nightmares for Society. Timed to usher in Orwell's dreaded 1984, the exhibit runs the gamut of artists from Russian constructivists with their misguided dreams to a large sampling of American and German artists affected by the century's wars. Ends Feb 12.

Leonardo's Last Supper (National Gallery): Although the refectory of the Church of Santa Maria della Grazie has not been brought from Milan, this clever exhibit does the next best thing in combining preparatory studies drawn from the Queen's collection in Windsor Castle with photos and a film of the restoration and works done after the Last Supper, including a series by Rembrandt. Ends March 4

Funding the UK arts

Antony Thorncroft

The British Government has rejected as too costly most of the recommendations for aiding the arts made last year by a House of Commons select committee.

Its White Paper (statement of policy), published yesterday, suggests no important initiatives.

The changes recommended by the select committee, the White Paper says, "would require an increase in the arts budget of about 20 per cent. This is not something which can be contemplated in present circumstances – whether for the arts or for other departmental budgets."

The Government disagrees with the committee's claim that the general record of success and achievement in the arts in the UK make them a "special case." The White Paper says: "Such an attitude is unrealistic. The need for orderly control of public spending must, for the foreseeable future, outweigh the importance which the committee attaches to substantially higher expenditure on the arts."

Suggestions that VAT should be reduced or removed from arts events, and that works of art offered in lieu of tax should receive more favourable treatment, are both rejected by the Government. It also comes down against tax changes designed to encourage private and business sponsorship

The Government records the changes in the structure of the arts which have taken place since the committee reported and which are in line with its recommendations. These include the creation of an independent Office of Arts and Libraries, under the Minister for the Arts, with an expenditure programme separate from that of the Department of Education and Science. There has also been extra money for the British Film Institute to help preserve the film archive and additional money in the 1984–85 estimates to improve the financial position of Covent Garden, the Royal Shakespeare Company and four other major opera companies.

The White Paper turns down the committee's idea of a minister for the arts of cabinet rank.

One area where change is possible is the earning of income by national museums and libraries. At the moment, above a certain sum, the museums have to pass back their revenues to the Treasury. The Government is to review this. It also agrees with the committee that individual museums should be free to decide whether they charge admission fees.

The White Paper continues to place considerable faith in business sponsorship of the arts, even without new financial incentives. It estimates arts sponsorship to be worth £14m a year.

Donatello may fetch over $1m

Saleroom Correspondent

At Sotheby's in New York on March 2, a very rare – and very expensive – relief of the Virgin and Child attributed to Donatello comes under the hammer. It should sell for well over $1m.

The relief is believed to be one of three executed during Donatello's stay in Padua in the late 1440s. It has been sent for sale by Frank and Virginia Cryan. Donatello is considered the greatest Italian sculptor of the 15th century; he worked for the Medici family of Florence.

In Sotheby's series of sales in Monaco in early March, the chief items of interest are a set of chairs by Foliot from the apartments of the Comtesse de Provence in Fontainebleau, which could make FFr 800,000 ($92,754); 18 bronzes of wild animals by Bayre, produced between 1830-45; two paintings by Jacob Jordaens, including *Le Christ et les pecheurs repentants* (with an estimate of FFr 800,000) and a Fragonard, forecast to sell at over FFr 100,000.

In London, Sotheby's is auctioning in March a star of the Order of the Garter worn by King James II and cut from his coat by his confessor after his death in 1701 (estimate £4,000, $5,600). Also for sale are a First World War Victoria Cross and some important British paintings, including a rare oil by Bonington, *Low tide on the French coast*, which could fetch a record £150,000 for the artist.

In the sale, on March 14, there are also works by Copley, West and Gilbert Stuart, all American-born artists working in England, and a view of Eton College by F. W. Watts. A largely unrecorded collection of netsuke and ojime from H. G. Beasley could make £300,000.

Christie's is holding a netsuke sale on March 13 and offering a work by Kaigyokusai, the 19th-century master. It is a carving of a rat holding a bean pod, and could make £15,000.

On March 28, Christie's is selling a collection of 29 French historical documents, including a 93-page moral treatise written by Louis XVI in his youth to his tutor. It carries a £25,000 estimate, as does the manuscript of the King's speech to the States-General just before the storming of the Bastille in 1789.

Also at Christie's is the finest painting by Mark Gertler to reach the saleroom. Entitled the *Merry-go-round*, it was described by D. H. Lawrence as the best modern painting he had seen and is forecast to sell for up to £60,000.

There is a group of 15 Vorticist works in the March 9 auction, including works by William Roberts and Wyndham Lewis, as well as a bronze by Gaudier-Brzeska.

FINANCIAL TIMES

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Thursday January 26 1984

Mr Lawson's opportunity

THE demystification of the British Budget continues. Some senior officials now working on proposals for March 13 were probably already at work in Whitehall when an earlier Chancellor, Dr Dalton, resigned and retired from political influence because he had inadvertently let slip a trivial tax change just before he went in to address the House. Nowadays, Chancellors hold open consultations on their ideas for taxation, and Mr Nigel Lawson, our present Chancellor, loosened up a little further when he delivered a provisional Budget judgment to a backbench meeting this week. It should now be possible to conduct a useful public discussion of Budget issues before the event.

Hidden stimulus

Unfortunately, things have not progressed quite so far as might appear. Mr Lawson prepared his audience for a neutral budget; this was perhaps designed to lay to rest his earlier threats of tax increases, but it is hard to be sure what else it means. Sir Geoffrey Howe presented his 1983 budget as neutral; most analysts now agree with our own judgment at the time that it was in fact quite a considerable stimulus. If Mr Lawson is again proposing no change in the planned level of official borrowing, he will again be administering a concealed stimulus.

This will arise not only because it is natural for official borrowing to fall when the economy is in recovery, but because the Government has a somewhat bigger programme of privatisation for the coming financial year. This distorts not only the PSBR as an economic indicator, but makes it hard to interpret the supposed cornerstone of Treasury policy, the medium-term financial strategy. Just as privatisation alters the economic meaning of the PSBR, so the current practice of overfunding distorts the economic meaning of all but the narrowest monetary aggregates. Policy is much more pragmatic than its presentation.

The Government is clearly not very worried about these ambiguities. It has always disclaimed any power to control the cycle of decline and recovery, and presented its budgets as being concerned simply with housekeeping and incentives. Even in these terms, it is an increasingly relaxed exercise; yet again the Chancellor has settled on an absurdly early date, so that he must plan next year's finance while there is still great uncertainty about the outturn for the current year. It seems to have been concluded that since the embarrassing slip-up last year—when Sir Geoffrey Howe underestimated the borrowing for 1982-83 by nearly £2bn—left no apparent casualties, there is no harm in running the risk again.

This does not seem to us a very satisfactory way of conducting business, and we hope that Mr Lawson, who has an incisive mind, will do something to clarify matters. As the Budget itself has become more routine, so the importance of the November statement—a mid-year progress report—has increased. If this becomes explicitly an opportunity for any necessary course correction, and the statement of the medium-term financial strategy is clarified, much might be done for confidence.

Room to manoeuvre

Equally, a genuinely neutral budget is itself an opportunity. We would agree that on present evidence there is no case for any further stimulus to demand—as does the CBI in its own budget representations (though it rather confusingly goes on to propose concession to industry which would add £2bn to the PSBR). However, there is plenty of room for manoeuvre within an unchanged total, as the Chancellor clearly recognises. Our strongest hope is that on March 13 we will learn that we now have a Chancellor genuinely interested in rationalising the tax system, prepared to think as boldly as Sir Geoffrey urged, and act rather less cautiously.

This should not mean sweeping changes this year; the modern practice of "green" proposals for changes in the tax structure is an excellent one. But the list of useful topics is as long as the list of distortions imposed by the present structure—destroying incentive at low pay levels, diverting the flow of savings, over-protecting the home owner, taxing employment to subsidise investment. Here is an agenda for several Budgets.

Aid and reform in East Africa

AID DONORS from Western governments and multilateral organisations are being asked in Paris this week and next to consider the financing needs of Uganda and Kenya. Between them, the two East African neighbours require almost $1bn a year this year and next in aid and loan commitments, in order to pursue their respective economic recovery programmes, and to finance large deficits on their balance of payments, according to World Bank calculations.

Those are substantial sums, especially considered in the light of the tightening of aid budgets throughout the West. They are not, however, based on particularly ambitious plans. Both countries are seeking to do little more than stabilise their economies, and lay the foundations for steady and sustained growth in the future.

The two former British colonies have sharply contrasting economic and political track records, although the stabilisation policies they are adopting follow broadly similar paths.

In Uganda, President Milton Obote returned to power in 1980 when the country's economy was shattered, the bulk of the population had reverted to subsistence agriculture, the transport and communications infrastructure had collapsed, and law and order had broken down. Within weeks of his taking office, a team from the International Monetary Fund had arrived, and the first economic measures of the new administration included devaluation, massive increases in prices paid to farmers, and an ending of price controls: a very sharp dose of classic IMF medicine.

Since then, Uganda has remained within the strict limits set by the Fund, and the economic recovery, despite continuing security problems, has been remarkable. According to the World Bank, economic growth (albeit from a very low base) has averaged five per cent a year; export volumes, 95 per cent of which is coffee, have risen by some 45 per cent; government revenues have increased more than nineteenfold; and the rate of inflation has been reduced from around 100 per cent to 30 per cent last year.

The country's economic plight remains serious, but the Obote government has shown that some classic IMF remedies do help to stabilise an economy in an apparently hopeless condition.

Kenya, of course, has never plumbed the depths to which Uganda sank under Idi Amin. In the early years after independence it enjoyed an annual growth rate of seven per cent, thanks to successful agricultural performance as the formerly white-owned farms were broken up into smallholdings, and Western investors took advantage of the broadly capitalist policies of President Kenyatta to turn the country into a regional manufacturing and distribution centre.

Structural problems

Yet today the country faces structural problems which may in the long term prove even more intractable than those of Uganda: a soaring population, a shortage of arable land to exploit, and a heavily protected manufacturing sector dependent on imported raw materials it can no longer pay for.

Like Uganda, Kenya has adopted a flexible exchange rate policy, and greatly increased farm prices. It has also undertaken a critical appraisal of the performance of heavily subsidised state corporations.

The World Bank, chairing the donor conferences in Paris, says that both countries are embarked on broadly appropriate policies. Yet they will continue to need substantial support from donors for years to come. Uganda, in particular, has very little prospect of commercial borrowing, although Kenya should do better. Without aid on soft terms, even these modest recovery programmes will be in jeopardy.

Food riots need not be an inevitable consequence of IMF-style austerity measures. The cases of Kenya and Uganda demonstrate that if reforms are part of a wide-ranging package, backed by sympathetic donors, then social upheaval can be cushioned.

The Paris meetings also underline the value of donors' pooling information on the problems and prospects of individual countries, in order to reach a consensus on the required quantity and uses of aid. Such coordination could be still more valuable if it were practised on the ground in the countries recruiting aid.

Europe's steel industry

Davignon: the going gets still tougher

By Peter Bruce and Ian Rodger

THE EUROPEAN Community's Council of Ministers meets in Brussels today to decide whether to extend the system of quotas that has kept an uneasy peace between Europe's ailing steel producers since October 1980.

Failure to extend the quotas would bring about the immediate collapse of the European Commission's seven year effort to restructure EEC steel, and bring home to producers with a vengeance the fact that the Community can still produce up to 20m tonnes more steel than it consumes each year and that demand is never again going to reach the record highs of more than 10 years ago.

The "Davignon Plan," named after the EEC Industry Commissioner Viscount Etienne Davignon, has always sailed close to the wind. At times, it has seemed, only the elegant footwork of the man himself has held the process together. But the restructuring plan now has less than two years to meet the deadline he has imposed and the going is getting tougher.

Today the ministers are being asked to extend the quota regime until the end of 1985. By then, EEC Governments have agreed to stop all subsidies to steel producers. By then, in theory, these producers should in turn be profitable.

Probably because the tasks that remain are so daunting, and because so little has been done, an atmosphere of near farce has from time to time settled about the Council of Ministers. In November 1982, for example, they all solemnly agreed that the EEC needed to cut 30m-35m tonnes off its total steel-making capacity (168.6m tonnes in 1980). Last June they gathered again having been able to scrape together cuts of scarcely more than 18m tonnes. forcing Davignon to demand further reductions, details of which have to be lodged with Brussels by next Tuesday.

It is quite likely that today's meeting will throw up even more theatre. The British role, by now well rehearsed, is somewhat smugly to remind the Commission that the UK has made deeper capacity cuts than anyone else.

True to tradition, the script does not call for any mention of the fact that if it had not closed plant, the British Steel Corporation would by now be costing the British taxpayer more than £1bn a year in subsidies.

The West Germans cast themselves in a much more phlegmatic role. The reason for this is that the Germans have only recently embraced the notion that they need be part of such discussions at all. The German steel industry, as the rest of the Community is constantly reminded, is not only the most powerful in Europe but is also privately owned.

The three Italian ministers at the talks also have their lines prepared. They will be outraged. Their Government — which was told last June to cut 3.5m tonnes of capacity—wants to re-open a major plant just outside Naples, having spent L900bn modernising it. And the three will demand an extra 1.2m tonnes of quota in the already saturated flat product sector.

The Italian demand is so massive that the other ministers at the table might be forgiven for not taking it seriously. Count Lambsdorff, the West German Economics Minister, maintains that he took the news "with the necessary composure" but the prospect of the Italians (whose industry has actually grown since the restructuring programme began in 1980) putting even more steel on the market has made competitors nervous.

Herr Dieter Spethmann, chairman of Europe's mightiest steel producer, Thyssen, describes the Italian quota request as "wholly irresponsible." Herr Spethmann's problem is that if the Italian demands prevent the renewal of the quota regime for the next two years—until the deadline for the end of state aid to EEC steelmakers—orderly restructuring of EEC steel is in great danger. That would still be true even if a compromise extension of only a few months is agreed.

The reason for this are straightforward. While the core problem for EEC steel is overcapacity, the Commission has been forced to erect a highly complex mechanism, including quota and price guidelines.

"The way restructuring is done is very important," says Viscount Davignon. In the past, even the most minor threat to mutual trust among the producers has quickly sown unease throughout the industry.

The theory has been that a stable market, avoiding both over-production and price-cutting, would facilitate the orderly contraction of capacity to the point where it would be in line with foreseeable demand. Thus the industry would gradually return to profitability.

In the late 1970s, only the French, who were the first to recognise the deterioration in the industry's long-term prospects, made a serious effort at cutting capacity. Then Britain, which had suffered the most dramatic fall in the Community in home demand for steel, made big cuts.

In the early stages of the capacity reduction programme, many producers did not believe that the long-term market outlook was as bleak as the Commission was making out, and so used various ruses to avoid making cuts or to overstate the amount of cutting they had actually done.

Now most producers seem to have abandoned the view that a significant recovery will come soon, but there is still time consuming debate about how much cutting is needed.

As low cost producers, the West Germans may have hoped to pick up market share and thus avoid capacity cuts as the crisis deepened. However, they too have been caught in the morass and are now making major closures. Belgium and Luxembourg are co-operating in closures, leaving only the Italians to make a major contribution. The Commission's latest demands for cuts last July sought 500,000 tonnes from Britain, but 3.5m tonnes from Italy.

Although most steel producers accept that the Commission had no choice but to intervene in the running of the industry, not many now believe that the Commission's target of eliminating subsidy for steel by the end of 1985 is credible. The Commission is warning that the market outlook has worsened since it imposed the extra cuts last June and a further round of cuts may be necessary. But if Viscount Davignon has any doubts about returning EEC steel to profitability by December next year, he hides them well. He has to.

"If you create a situation in which producers set out to prove it cannot work, then they will succeed," he says. "I think the deadline is realistic. If we permit any doubt about our ability to do the job our castle would become a sandcastle.

"The deadline is absolutely indispensable. If by the end of 1985 we do not have the closures that we are looking for then we have a failure," he adds.

Since the beginning of the Davignon Plan, the problem has been the impossibility of getting unanimous support among the main countries and companies for the Commission's measures.

Typically, when a company and its sponsoring Government is in a weak position, it is more willing to respect the Commission's measures to the letter, but when it recovers, it becomes more recalcitrant. The British, for example, were solid backers of the 1980 and 1981 Commission programmes, but now that the British Steel Corporation has become efficient and competitive, the British stance on capacity cuts has become tougher.

The West Germans, on the other hand, have become enthusiastic in the past few months as their once powerful steel industry has tottered on the edge of disaster.

It would be unfair to be very critical of the Commission, or of the Davignon Plan as a whole, because of the obstacles it faces. However, in hindsight it is clear that it missed a major opportunity in 1980 to make significant progress.

Precisely because the market was in disarray and so many producers were being badly hurt, the Commission, it is argued in some quarters, could have got wide agreement to impose and enforce very tough production quotas across the board with a promise to examine special cases after a few months.

Instead, it listened to each producer's case for special treatment and ended up with a complicated pattern which few believed just. Moreover, everyone knew thereafter that the Commission was open to persuasion, and so everyone has felt obliged ever since to press his own case as vigorously as possible.

Indeed, old hands at the EEC steel table complain that each time a new minister appears, he invariably tries to be more clever than his predecessor at winkling out extra quota for his national industry.

Today, there is room for a little hope that the ministers will make some real progress.

Moreover, the environment in which their discussions are taking place is not unlike that in late 1980. Although the market has stabilised, it has done so at a very embarrassing level, with the minimum price of cold reduced strip set by the Commission at DM 980 per tonne compared with about DM 1,350 in the U.S. and DM 1,200 in Japan.

More important, nearly every minister at the table is representing a Government that is increasingly uncomfortable at the amount of money it is having to spend on steel. The estimated bill in Britain this year is over £500m. In France, people are talking about FFr 12bn; in West Germany DM 3bn. And even Italy can't go on sustaining steel subsidies—L2,000bn last year.

However, the prospect of getting all the producers and all the governments to agree on long-term sensible policies still looks slim.

Take, for example, the problems of co-ordinating investment and marketing. Three years ago, the market for seamless tube was booming and so several European producers increased their seamless manufacturing capacity. This contributed to excess capacity worldwide when that market slumped. If it had been agreed that only one or two producers would go into seamless, the slump might have been eased.

Today, everyone wants to expand capacity in the growing market for coated sheet, and a similar outcome can be predicted. European producers also tend to pounce on any regional market that is showing signs of life, causing prices to fall and losses for everyone.

There is a limit to the ability of the Commission to regulate activities at this level and, in the end, it depends on the willingness of producers to cooperate with one another to some extent.

One way out of the trap would be for a restructured West German industry to resume its position of price leadership in the EEC steel industry and to maintain prices at a sufficiently high level that other Community producers could survive.

By next Tuesday, Bonn will have presented to the Commission plans for cutting some 1.2m tonnes of capacity from the German steel industry. In the absence of the mergers the Government would have liked, individual producers have proposed cuts that at least one independent auditor has found "feasible," provided Kloeckner returns to the quota regime. In return, the steelmakers are looking for investment aid worth some DM7bn. Bonn will come up with 20 per cent of the cash if the plans meet approval in Brussels.

That is not a foregone conclusion. Davignon makes no secret of his disappointment at the inability of the German producers to combine and rationalise. "Thyssen can do it alone," he says, "and Hoechst has done it. But the difficulty for the rest is, is it possible to do it by themselves without having to go to extremes? The name of the game is to do enough. If you don't do it together you have to do more."

Additional research by James Buchan in Bonn and Paul Cheeseright in Brussels.

EEC CRUDE STEEL PRODUCTION

(million tonnes)

	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983*
Belgium	16.2	11.5	12.1	11.2	12.6	13.4	12.3	12.2	9.9	9.2
Denmark	0.5	0.5	0.7	0.6	0.8	0.8	0.7	0.6	0.5	0.4
France	27.0	21.5	23.2	22.1	22.8	23.3	23.1	21.2	18.4	16.6
West Germany	53.2	40.4	42.4	38.9	41.2	46.0	43.8	41.6	35.8	33.1
Greece	0.9	0.6	0.7	0.7	0.9	1.0	0.9	0.9	0.9	0.7
Ireland	0.1	0.08	0.05	0.04	0.06	0.07	0.02	0.03	0.06	0.1
Italy	23.8	21.8	23.4	23.3	24.2	24.2	26.5	24.7	24.0	19.1
Luxembourg	6.4	4.6	4.5	4.3	4.7	4.9	4.6	3.7	3.5	2.9
Netherlands	5.8	4.8	5.1	4.9	5.5	5.8	5.2	5.4	4.3	4.0
Britain	22.3	19.7	22.3	20.4	20.3	21.5	11.2	15.5	13.7	13.9
Totals†	156.5	125.9	134.8	126.8	133.5	141.2	128.6	126.3	111.4	99.4

* First 11 months. † Rounded. Source: IISI/European Commission

Men & Matters

Shell shock

"We are not one of Boone Pickens' dinosaurs, you understand," said an obviously flustered Shell Oil executive as the news broke that Shell Petroleum wanted to buy out the minority interests in its U.S. subsidiary.

Along with 200 other Houston oilmen, he had just sat through an uncomfortable lunch at which T. Boone Pickens, the Texan who is trying to restructure Gulf Oil, had lectured them on the follies of the big U.S. oil companies—the dinosaurs, as he calls them.

Back at Shell Oil's 50-storey headquarters in downtown Houston, the shock waves spread visibly.

Well, if Pickens has been stirred into action by what he regards as sleepy management in the industry, Shell Petroleum's bid seems to be recognition of just how well its U.S. subsidiary is being run.

John Bookout, Shell Oil's publicity-shy chief executive, won his industrial spurs five years ago when he pinched Belridge Oil from under the noses of both Texaco and Mobil.

When Bookout bid $3.6bn for Belridge, many observers thought he was paying way above the odds. Texaco and Mobil, which between them owned a third of the company, were only prepared to pay $1.8bn for the other two-thirds.

Though some 3bn barrels of oil were known to lie beneath Belridge, there was considerable doubt about how much could be produced.

Shell, placing its faith in its technology, spent another $1bn in a gamble that it could produce 50 per cent more than the wiseacres thought possible. To date, it looks like paying off handsomely. Belridge's output has already doubled.

But quite apart from such acquisitions, Shell Oil has managed to increase its domestic oil and gas reserves at a time when many of its rivals have been finding less than one barrel of new oil for every two they produced—the road to voluntary liquidation, according to Pickens.

Only days after Sohio and other oil companies announced massive write-offs on Mukluk, where they struck only saltwater, Shell Oil made another rich strike just 50 miles away on Seal Island.

High flier

Alan Curtis, aged 58, businessman, car buff, and keen flier, is seeking around £500,000 for his own private airfield—Compton Abbas three miles south of Shaftesbury, Dorset.

Working airfields like this one, including a flying school, grass field, and restaurant, rarely find their way on the agent's lists in Britain. Curtis says he can afford to be choosy about who he sells it to. He is anxious that the character of the place should be kept. It has a gourmet rating among the flying fraternity. Amateurs pilot themselves hundreds of miles to enjoy lunch at the Compton Abbas restaurant.

Even more interesting is the reason for sale. "I want to go liquid," says Curtis "to be ready to bid for the general aviation and industrial complex at the Royal Aircraft Establishment, Farnborough.

He is joining with two corporate partners — Slough Estates and the Shell Pension Fund—to tender several million pounds for the facilities when the government sets the privatisation wheels in motion shortly. The group wants to make Farnborough an important European centre for business aviation.

While waiting for the Farnborough tender to come out—possibly next month—Curtis finds himself heavily involved as the newly-appointed deputy chairman of Group Lotus the car company. The Inland Revenue's tax assessment of £85m upon that unfortunate company is demanding many man-hours of board-room time. Curtis has a robust view about the outcome. "I'm confident that Lotus will not have to pay at the end of the day."

Brewster's back

Just three years after leaving the U.S. Embassy in Grosvenor Square, Kingman Brewster is returning to practise law in London. The former U.S. Ambassador is to head the London office of the New York firm, Winthrop, Stimson, Putnam and Roberts, in which he is now a partner.

Brewster will specialise in international business deals—advising American clients on their European operations and vice versa.

"I spent four interesting years in London as a diplomat," he says." And I am delighted to be returning."

A New England patrician—an ancestor crossed the Atlantic on the Mayflower—Brewster was dubbed the "invisible ambassador" by some British newspapers.

But he was a familiar figure in British business circles, earning plaudits for some pithy speeches on economics, and stirring some passing petulance by his observations on the rich variety of the City's business lunches.

"Could have been worse—the new NUM man could've been a Boycott supporter"

Closer ties

What with Nissan dithering and the Japanese government planning higher taxes on Scotch whisky, people might think that relations between Japan and Britain are going through a rough patch. Happily, I can report that the ties that bind have, if anything, been strengthened by two recent events.

The first literally involved a tie. When Sir Hugh Cortazzi, retiring British Ambassador in Tokyo made a farewell call on Yasuhiro Nakasone, the Prime Minister took a shine to the ambassador's neckwear, which happened to be the club tie of the British-Japan society.

In a trice, both men unbuttoned their collars, swapped ties, and thus parted in mutual sartorial satisfaction.

The second event, and to us at the FT, of special significance, is the promotion of Rokusuke Tanaka (no relation to the former PM) to secretary-general of the ruling Liberal Democratic Party.

Twenty-odd years ago, Tanaka was London correspondent of Nihon Keizai Shimbun, the FT's Japanese equivalent. He was posted to London at a time when, on his own admission, his English was not too good. Tanaka solved his problem by getting a Japanese friend then working for Mitsui Bank in London to translate the FT for him each evening.

This grounding has enabled Tanaka to rise magisterially through the political ranks to his present prominence.

Observer

ECONOMIC VIEWPOINT

Treasury and Bank make peace

By Samuel Brittan

PEACE HAS broken out between the Treasury and the Bank of England on the subject of the monetary targets to be used in the next restatement of the Government's Medium Term Financial Strategy (MTFS) due on Budget day.

The Bank of England had been deeply unhappy about the section of the Mansion House speech last autumn in which the Chancellor suggested that short-term interest rates might be closely related to a particular "narrow" measure of money known as M0. (This aggregate, also known as the monetary base, consists of notes and coins plus the banks' operational balances at the Bank of England. It was fully explained in Economic Viewpoint on December 15.)

After recent discussions a *modus vivendi* has emerged. Not all individual Bank and Treasury economists will be equally happy with the result (for as Mrs Thatcher has so wittily and originally reminded us, economists never agree). Nevertheless, those in charge of the Bank's actual operations think they can live with the approach to monetary strategy now emerging.

The common ground in the discussion has been the need, as explained in the previous article, to focus on both "broad" and "narrow" money. "Broad money" represents personal and corporate liquid funds. Two measures of this are already targeted: the famous Sterling M3, which includes deposit as well as current accounts and goes back to Denis Healey's period as Chancellor in the 1970s. The other measure, PSL2 (Private Sector Liquidity) was introduced as a target in 1982 and includes other assets such as building society deposits and national savings.

"Narrow money" refers to money immediately available for transactions; and the problem arises because there is now no satisfactory long-run series of figures for it, as the prevailing measure, M1, has all but broken down as a useful guide.

There does exist a good measure, known as M2, which corresponds very closely to the common-sense idea of transaction balances, including, for instance, building society deposits on which cheques can be drawn, but excluding large corporate deposits.

Unfortunately, figures for M2 go back only two years. Treasury economists proposed M0 as a substitute—what statisticians call a "proxy"—because they claimed that there was a good statistical fit between M0 and Nominal GDP, which is the *de facto* focus of all monetary policy.

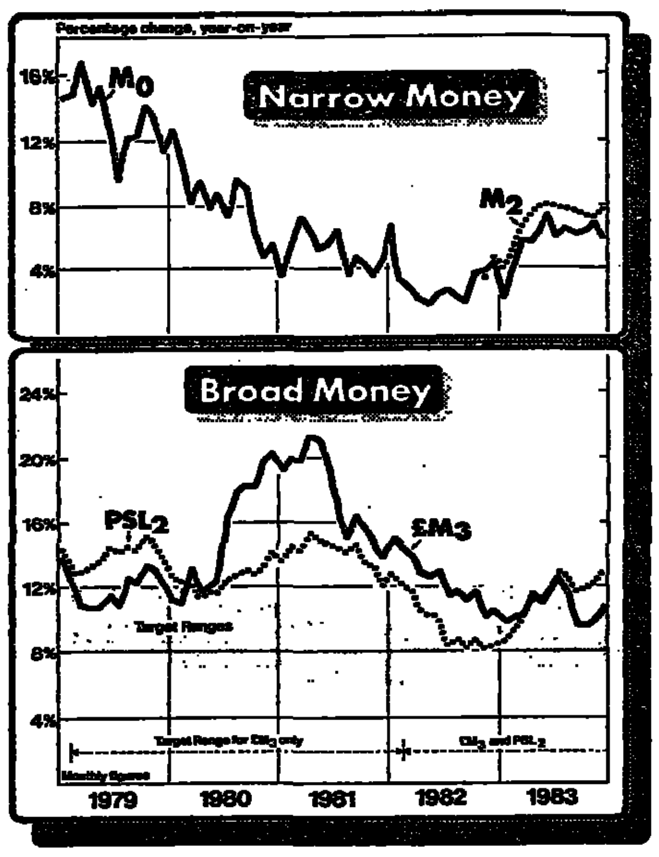
The Bank's main objection was not principally to a new measure of narrow money as such. It was more to the suggestion in the Mansion House speech that narrow money should be the main guide to interest rate policy and broad money to funding and fiscal policy.

In recent discussion it has, however, become clear that the movement of broad as well as narrow money will after all be *taken into account in setting* interest rates; and that other evidence apart from the monetary numbers will be considered in setting policy. The 1983 Budget Red Book, like that of 1982, made it clear that the pursuit of monetary targets was conditional in the following words: "The interpretation of monetary conditions will continue to take account of all available evidence, including the exchange rate, structural changes in financial markets, saving behaviour, and the level and structure of interest rates. Policy decisions will be aimed at maintaining monetary conditions that will keep inflation on a downward trend." The Bank is now satisfied that similar considerations will continue to apply, even if the *language changes slightly.*

There remains the question of what measure of narrow money to target. Present thinking runs on the following lines. In the case of broad money, PSL2 already acts as a check on Sterling M3. Why, then, in the case of narrow money, should not M2 be used as a check on M0? Thus we seem to be moving towards two pairs of targets, making four in all:

- Sterling M3 and PSL2 for broad money;
- M0 and M2 for narrow money.

The target range for broad money for 1984-85 has already been tentatively laid down as 6 to 10 per cent, and it is unlikely to change much. The target range for narrow money *will be lower, say, 3 to 7 or 4 to 8 per cent.*



Bob Hutchison

Obviously, nothing is absolutely certain until the last proofs of the Red Book have been passed; but these appear to be the main thoughts behind *the embryonic peace treaty* between the two principal national financial institutions.

The Treasury has had to accept more targets when it might have preferred less. The Bank has had to swallow M0, which contains items which make sense only if the Government wishes to leave open the possibility of regulating the money supply by "monetary base control," a method which the Bank abhors with a passion which others reserve for video nasties.

* * *

THE INEVITABLE public reaction to the existence of perhaps four monetary targets, whether paired or not, will be to say: "The Government will usually be able to find at least one of these measures conforming to target. So it will be able to do exactly what it likes." An even wider public will give—indeed already has given—the whole matter up as so much *mystification.*

Such dismissal is not entirely fair. For the monetary guidelines are intended not as iron rules, but at least as a serious starting point for analysis and policy.

Nevertheless, to say "everything is taken into account" is not enough. "Taken into account" in what way? There already exists a focus to which all evidence, ranging from the monetary indicators to interest rates, exchange rates and fiscal policy can be brought to bear.

This, of course, is the national income in money terms, measured by nominal GDP. It is not merely an idea of commentators, but is already used by officials for testing proposed monetary targets or for examining whether overall policy is too tight or too lax. It is also, despite its forbidding title, capable of being explained to a *wide audience. The idea of a* national cash limit or objective is inherently more comprehensible than the intermediate targets for the many definitions of money or public sector borrowing in which the MTFS is now exclusively expressed.

More and more official analysis is being conducted in terms of nominal GDP. Why then are Ministers so reluctant to take the next step of making this their final objective to which the intermediate targets (for money and borrowing) could be subordinated?

The final objective would then be explained in simple words which can be understood by those who bargain about wages and prices, and would not depend on knowledge of technical financial developments. (The monetary targets would then be avowedly technical and be changed whenever necessary, in line with institutional developments and the money-holding habits of the public.)

The most frequently reported objection, when the idea was first floated in Whitehall in 1982, was that nominal GDP was "a mixture of a good thing, growth, and a bad thing, inflation. Why mix the two together when you want as much growth and as little inflation as possible?" asked one Minister.

If there is anything in this objection, it is a knock-out blow not merely to nominal GDP but to monetary targets themselves. This might be all right for *some of the 364 economists who* protested against British Government policy, but hardly for the Government itself.

Let us suppose that it were easy to define money and that its velocity were stable and predictable. In that case—the most favourable for the monetarist—monetary targets would be equivalent to targets for nominal GDP (which happens to be identical as a matter of definition with MV, that is the product of money times velocity).

Monetary targets would then be objectives for the total flow of expenditure and income; and the Government would still not be able to determine how much of this flow would be reflected in the short term in real growth and how much would run to waste in inflation. The mixture of "a good thing and a bad thing" comes from the way the economy operates, not the *setting of targets.*

Behind the objection of "a good thing and a bad thing" is the belief that inflation and output can be influenced independently of each other. This was the logic of post-war "Keynesian" full employment policies, in which monetary and fiscal policy were used by governments in an attempt to spend their nations into prosperity; and inflation was supposed to be tackled by non-financial means, such as incomes policies or exhortation.

If this separation of instruments is still really possible, it is an argument against the Government's whole economic strategy—indeed against the policies of most governments in most countries irrespective of *party since traditional* Keynesian policies were abandoned in the 1970s. It is the "wets" and not the "dries" who should be opposed to nominal GDP objectives, if either political group understood its own case. It is the "wets" who want the Government to "go for growth" rather than the "dries."

It is sometimes said that the true final objectives are not nominal GDP, but stable prices and the "conditions for growth." How would a Government set about achieving a zero inflation objective, which is not my personal priority, but which illustrates the logic?

The only way of achieving zero inflation over a run of years is to set a declining path for the growth of nominal GDP, *which would eventually be* equivalent to the estimated trend growth rate of output. Then, whatever the transitional costs in lost output, there would be a hope of price stability in the longer term. (If the transitional cost of literally stable prices is too high, then let the Chancellor fix a higher objective for nominal GDP and reconcile himself to some mixture of real growth and modest inflation.)

The objection to nominal GDP boils down to a belief that pay and prices can be influenced quite directly by government policy. This objection makes sense—although I think it is wrongly-headed—for those who pin their faith in pay and price controls. It makes no sense for those who are sceptical of direct controls and prefer a monetary approach.

Lombard

The 'Buy British' dilemma

By Bridget Bloom

MR MICHAEL HESELTINE, the Defence Secretary, just back from the Falklands, faces a dilemma which (for once) has nothing to do either with those heavily defended islands or with Britain's nuclear deterrent. Threatening to burn a hole in his desk is a file which raises questions about the credibility of his Ministry's new policy towards industry.

Mr Heseltine insists, for all the obvious and sensible reasons, that competition is the key to getting better value for money out of Britain's annual £7bn armaments bill. Yet the case of the sea skimming missiles shows how difficult it is *to put this policy into effect.*

The *file on the missiles* has been on Mr Heseltine's desk since he became Defence Secretary a year ago. The Navy wants a weapon which is in effect a ship-launched version of the French Exocet which sank HMS Sheffield and the Atlantic Conveyor during the Falklands war. Its need for the weapon is even more urgent after the Falklands experience.

With the aim of getting the best deal the Defence Ministry last year invited foreign companies to tender in competition with British Aerospace's Dynamics Group, the UK's only major missile manufacturer. Four did, but the competition quickly narrowed to two *weapons—BAe's Sea Eagle and* the Harpoon, made by the U.S. company McDonnell Douglas.

The first bombshell came for Mr Heseltine when the Navy, after what are described as exhaustive studies, last July flagged its clear preference for the U.S. weapon. The choice (still officially secret) was doubly embarrassing for Mr Heseltine, since it coincided with his decision to reject another American missile—this time wanted by the RAF—in favour of one made by British Aerospace.

The Harm-Alarm affair posed strikingly similar problems to those Mr Heseltine now faces. The RAF preferred the Harm missile—awesome acronyn for high speed anti-radar mis*sile—because it was already de*veloped, was said to be as effective, and could be delivered more cheaply and speedily than the BAe product. The Navy now says the same of Harpoon.

But in the present case, as in the earlier one, BAe has countered toughly. It acknowledges that its weapon is at an earlier stage of development but maintains that it is just as effective as the American, that it can meet early delivery and that it will guarantee more employment than any foreign competitor could.

The final argument that influenced the ultimate Cabinet decision in favour of the British weapon in July was that buying British was the only way to retain key technology in the UK. With BAe continuing vigorously to lobby MPs and trade unions, it is probable that for the same *sort of reasons Sea Eagle will* be the final choice this time around and not the U.S. Harpoon.

Senior officials in the MoD are worried about the implications of such a decision on the policy of competition—as well as on relations with the U.S. They are also unhappy about ignoring the recommendations of the services which are to use the new weapons.

BAe acknowledges that it has improved its Sea Eagle offer as a result of the McDonnell Douglas bid, but officials query how long foreign companies will bother to compete in such circumstances.

Industry faces a dilemma too. UK companies often complain that they don't get a fair crack at the much larger U.S. defence equipment market—yet many of them also insist that the MoD should back a "UK Ltd" policy, always favouring British against foreign companies. Though BAe actually does quite well in the U.S. market, its lobbying on the two missile contracts endorses the narrower view, on the plausible grounds that having invested so much public money in the aerospace industry, the Government should at least buy its products.

It would be silly to pretend there are simple answers. But the case of the sea-skimming missiles shows inconsistencies in the MoD's policies which need to be tackled. In particular, would it not be possible to quantify the advantages in terms of employment and technology that stem from buying British?

Letters to the Editor

Why Scott Lithgow deserves to live

From Mr A. R. Belch

Sir, — I was managing director of Lithgows Ltd, the Clydeside shipbuilders, from 1964 until I became managing director of the Scott Lithgow Group on its formation in 1969. I retired from the shipbuilding scene *four years go to develop* other business interests. I believe that, once you have left an organisation it is not helpful to interfere in its activities and problems. However, the letter from Sir Robert Atkinson, former chairman of British Shipbuilders, in the Financial Times (January 24) prompts me to break my silence.

First, as a Clyde shipbuilder of some 40 years' standing, I must agree with the case made by Sir Robert for the retention of the Scott Lithgow facility on the Lower Clyde. To dissipate the great amount of specialist knowledge which has now been built up within the group would be a profligate disregard of a national asset of great value.

However, he prefaces his appeal for Scott Lithgow to be "taken out of BS and sold to a consortium" with a number of immoderate and ill-informed statements which, were they to be taken seriously by a potential buyer, could well destroy any chance of Scott Lithgow being of commercial interest to anyone. I am particularly concerned that he should condemn the workforce in such sweeping terms and, by implication, the people of the Lower Reaches community where I have lived and worked for most of my life.

Speaking from considerable experience in the industrial relations scene on the Lower Clyde I can state categorically that the men I knew and worked with do not deserve the all-embracing character assassination so continuously handed out *by Sir Robert. They may have* regrettably shown an unfortunate degree of intransigence in recent times, but in my time they were not resistant to change (they signed the first UK flexibility agreement in 1965); they were not particularly militant (they signed the first no-strike agreement known in British shipyards); and their performance over the years testifies that they were far from being inefficient.

Nor had the group the "endemic habit of late delivery" with which Sir Robert labels it. For the records, my memory tells me that the first penalty for late delivery paid by Scott Lithgow was the nominal sum of about £50,000 and that in 1979. It is true that the group delivered vessels on occasion beyond the dates in the original contracts but these deliveries were always agreed mutually between owner and builder and their "lateness" caused by specification changes or other factors beyond the control of the builders.

I was amazed that Sir Robert widened his attack to embrace customers *as* well—"over exacting," "difficult," etc, are hardly epithets one applies to people on whose goodwill one must depend for future orders. He is certainly referring to customers with whom I am unfamiliar. Suffice it to say that I cannot think of a single Scott Lithgow customer during my time who would not happily have returned to build with the group. One customer alone built as many as 30 ships with us since the war, the last being delivered in 1979.

One *is* tempted to wonder how, if all Sir Robert's strictures are justified, Scotts managed to prosper in the business of shipbuilding since 1711 and Lithgows since 1874. Certainly there were good years and bad years, as in most businesses and particularly in shipbuilding, but the facts are that if Sir Robert were to break down his figure of about £200m loss in the past 10 years, he would find that, in the four years prior to nationalisation, the Scott Lithgow Group has an accumulated total loss of only £2.4m over that four-year period after making full provision with our auditors for future anticipated losses. If a £5m compensation, which I believe was paid to Scott Lithgow long after nationalisation for losses arising during that period from faulty submarine electric cables supplied by outside contractors, is taken into account, the £2.4m loss is turned into profit. I suggest there could not be much wrong with an organisation which could perform to that level in a rapidly contracting market whilst having to tackle long-term fixed price contracts in times of rampant inflation.

In the period subsequent to nationalisation, whilst I was still at the helm, there were admittedly substantially greater losses but a significant proportion of these was caused by non-recurring factors such as the costly business of closing down yards and of rectifying major technical problems created by suppliers.

There is, in fact, ample evidence to show that the Scott Lithgow Group, with which I was privileged to be associated for so many years, was at one time rightly regarded as a major shipbuilding success, not only on the River Clyde but also within the whole UK shipbuilding scene. While the UCS saga was developing on the Upper Clyde we were quietly going about our business. At one time we employed 9,000 people in six shipyards (each with its own particular specialist products); we recruited about 400 boys into our training centre each year; we had full order books and delivered ships to the entire satisfaction of *their owners; we had excellent* industrial relations and survived through the difficult shipbuilding days of the 1960s and 1970s, when many shipyards were going to the wall, until the company was nationalised in 1977. Up to that point we had not received any financial aid from Government except that provided to all shipbuilders under agreed international arrangements.

Finally, I would only express the hope that something will emerge to ensure that the excellent facilities and considerable expertise, which lie within Scott Lithgow, will in some way be saved for the nation and that thereby a decent livelihood will be ensured for the thousands of good people who live in the communities of Greenock and Port Glasgow.

A. R. Belch.
9 Claimont Gardens,
Glasgow

Heathrow expansion

From Mr A. A. Cross

Sir,—Your correspondent Mr A. Lucking (December 31) finds the expansion of Heathrow Airport to a fifth and even a sixth Terminal to be a desirable and a commercial proposition. Is he aware that the pollution around Heathrow disrupts commercial activity as well as the daily life of a million residents? I suspect that the address he gives in London WC2 explains how he is *capable* of *making* such a statement and suggest that he should experience working and living for several months under a take-off flight path somewhere within a 10-mile radius of Heathrow before he makes another such pronouncement.

The reason for the expansion of Heathrow Airport slap up against the vast, long-established residential areas of London even after the general adoption of the jet engine is, in my opinion, that those who make decisions in such matters work in central London outside this 10-mile radius.

A. A. Cross,
Mount Park Crecent, W5.

Politicians in the middle ground

From Mr Eric Fibbens

Sir,—Only three years ago four senior Labour MPs had the courage to fly in the face of their big party machine and its extreme views and risk their political and financial futures. They took a political stand, gambling their whole careers, in an attempt to make a real impact on the development of the United Kingdom (Europe and the World) and the improvement in the lives of its people. As a result they caught the imagination of the moderate British.

We now hear of senior Conservatives who are facing similar problems of conscience. For them the obvious step is less risky in terms of where to go but perhaps more difficult in media terms since they might be presented as followers rather than leaders.

Therefore let them be reassured: the centre of British politics is now mobilised and is learning and improving in its ability to play the game. It respects its leaders but does not kowtow to them: and it is wide open to serious debate and serious intent.

The disaffected or "wet" Conservative does have somewhere to go: he/she will be welcome and will be respected: his/her risk is, if not minimal, at least quantifiable: and "heavyweights" still have a good chance at the top.

We moderate British sincerely hope for a sign of courage from the old centre right as well as the old centre left.

Eric Fibbens.
66, Princes Road,
Buckhurst Hill, Essex.

Sauce for the goose

From Mr D. Skelton

Sir,—On January 7 you reported Harris Queensway's "investment" in Stylo. The next edition announced the purchase by the chairman of Stylo of two blocks of 10,000 shares in the company in his own name and on behalf of a family trust, these shares having been bought in the previous week presumably.

The edition of January 20, quotes the chairman of Stylo, Mr Arnold Ziff as saying "we welcome Harris to the club but they can't change the rules once they join."

What's sauce for the goose ....!

D. A. L. Skelton,
123 Hadlow Road,
Tonbridge, Kent.

FINANCIAL TIMES

Thursday January 26 1984

Italy and Britain agree helicopter project

BY James Buxton in Rome

THE BRITISH and Italian Governments yesterday agreed to provide £120m ($170m) to develop a new military and civilian helicopter, total development costs of which might eventually total £1bn.

The launch aid, to be divided equally between the two countries, will support the civilian version of the helicopter and will go to Westland of Britain and Agusta of Italy, with whom contracts should be signed shortly.

The helicopter, designated the EH-101, is to be capable of carrying 30 people, or the equivalent of 5 tonnes of freight.

The British and Italian navies are between them expected to order about 150 of the military version. It is hoped that a further 900 in all versions will be sold. Such sales might be worth £12bn. The total market for this type of helicopter during the 1990s is estimated at about 2,000 units.

Mr Norman Lamont, the UK Industry Minister, said in Rome yesterday, when the two parties signed their memorandum of understanding, that the project would secure 10,000 jobs in the British aerospace industry.

The development of the civilian version would enable at least part of the cost of developing the military version to be paid back, he said. The launch aid is in the form of loans to the two manufacturers and is to be repaid as a levy on sales.

Earlier this month, the two governments agreed to the other key element of the project, the launch aid for the military version. Sig Renato Altissimo, the Italian Industry Minister, said yesterday that Italy would provide L426bn ($248m) for the purpose. The British contribution was not disclosed, but the government funding will be on a 50-50 basis with both Westland and Agusta injecting funds.

The total development costs of £1bn will include provision of powerplants and other components by other companies under subcontracts.

The helicopter was originally designed by Westland and Agusta in response to a British Defence Ministry specification for a naval helicopter to replace the Westland Sea King.

The two companies later suggested a civilian version, which could be used, for example, for offshore oil platform work and for carrying cargo. The first prototype is expected to fly in 1986 and the first delivery should be made in 1989.

The Sea King replacement project became a joint venture because of fears that it might be too expensive for Britain alone. Agusta, a state-controlled company, manufactures a range of helicopters, many of them built under licence from Bell, Sikorsky and Boeing of the U.S.

Volvo boosts profits to a record SKr 3.8bn

BY KEVIN DONE, NORDIC CORRESPONDENT, IN STOCKHOLM

VOLVO, Scandinavia's biggest industrial group, yesterday reported record sales and profits for 1983 despite the disastrous performance of its oil trading and oil and gas producing subsidiary, Scandinavian Trading Corporation (STC).

STC ran up losses of SKr 650m ($79.3m) last year, and the Volvo parent company is again having to step in with a comprehensive financial package only four months after the last rescue operation.

A new valuation has shown that STC's oil and gas properties in the U.S., owned by its Scandrill subsidiary, were hugely overvalued in the STC balance sheet. They have been written down from $155m to $62m.

STC is seeking to dispose of the Scandrill holdings, and the Volvo parent company has been forced to make a provision of SKr 500m in its own balance sheet to cover eventual losses from the sale.

In order to shore up STC's creditworthiness, Volvo is being forced to pump in a further SKr 360m of new equity less than four months after injecting SKr 400m into the company in the form of new equity and a subordinated loan. Volvo already holds 74 per cent of the STC equity capital.

Volvo has also agreed to underwrite the sale of Scandrill's overvalued assets and will make up the difference between the eventual sale price and the earlier $155m valuation in the STC books.

STC is being substantially reorganised, and its profitable finance subsidiary is to be launched on the stock market. Its losses last year were accumulated from some disastrous speculation in the oil futures market as well as from its normal trading operations and from oil and gas production in the U.S.

Overall, the Volvo group achieved one of the best results in its history last year, helped chiefly by the very strong performance of its car operations.

According to provisional results, group turnover jumped by 33.4 per cent to SKr 100.9bn from SKr 75.6bn, in 1982, while profits (before taxes and allocations) surged by 58 per cent to SKr 3.8bn from SKr 2.44bn a year earlier.

The results fell short of stock market expectations because of the burden of STC, but Volvo is increasing its dividend to SKr 11.50 a share from SKr 10 in 1982 and is making a bonus share issue, in which shareholders will receive one new share for every 10 held.

Hoogovens warned state aid will end after 1985

By Walter Ellis in Amsterdam

HOOGOVENS, the largest Dutch steel producer, is to receive a total of at least Fl 915m ($88.6m) in state aid, Mr Gijs van Aardenne, the Economics Minister, announced yesterday.

The company's shares were suspended on the Amsterdam Stock Exchange as the details were released.

Of the latest tranche of aid, the Fl 195m in direct grant will be used to cover strategic investment, while the Fl 570m of loans, repayable over 25 years, is intended to cover repayment of debts resulting from the break-up in 1982 of the Estel merger of Hoogovens and Hoesch of West Germany.

Hoogovens is to receive a grant of Fl 195m and a subordinated loan of Fl 570m between now and the end of 1985.

The state is also to guarantee a Fl 65m rights issue by Hoogovens in which equity holders will be able to buy one new share for every four existing shares.

Shares not taken up, to a value of Fl 65m, will be bought by the state. With the value of the shares fixed at Fl 40 per Fl 20 nominal, it is hoped that up to Fl 130m will be raised.

Finally there is to be a Fl 150m reserve fund.

Mr Van Aardenne made clear yesterday that the Government would expect Hoogovens to stand on its own feet after 1985. No further state aid will be forthcoming.

Meanwhile, the minister is to appoint three members to the company's supervisory board, while leaving day-to-day administration in the hands of present management.

The latest tranche of aid, which follows the award of Fl 243m last spring, completes a Fl 1.1bn package of assistance negotiated during the winter of 1982-83.

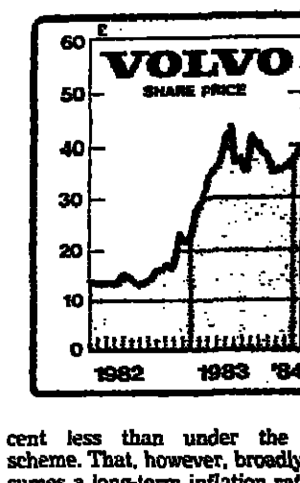
Technically, the new subsidies have to be approved by the European Commission in Brussels. But since Hoogovens recently offered to reduce hot strip steel production by 1.1m tonnes, when the commission had only sought a cut of 950,000 tonnes, a refusal seems unlikely.

Hoogovens is carrying out a restructuring operation costing Fl 2.5bn. It intends to drop hot-rolled capacity to 4m tonnes by 1990 and to reduce the workforce of some 18,000 to 16,000 by the end of next year.

Trade union leaders this week agreed to the job losses – some 760 more than was foreseen last year – on condition that there were no compulsory redundancies. That has been accepted by management.

THE LEX COLUMN

A transit lounge for BA staff



Even allowing for the exceptional strength of the oil account and a few doubts about the seasonal adjustments, the December trade account looks remarkably buoyant. Perhaps the consumer spending spree is washing off on British industry after all.

British Airways

In the eyes of the Treasury public sector pension schemes must loom as diabolical creations designed to thwart the sale of state assets to the public.

Compared with their private sector counterparts they are normally generous to employees and difficult to adjust. Occasionally they also conceal actuarial holes which must be filled at considerable cost to the Exchequer before a sale can proceed.

The British Airways scheme is fully funded but otherwise has few attractions for either the Government or the company's management.

Members are guaranteed full protection against both inflation and a deficiency in the fund's assets. BA is now doing the Government a good turn by attempting to substitute what it considers a conventional scheme well ahead of privatisation.

The company insists that its plan is inspired more by the need to forecast costs accurately than by next year's mooted sale. In practice, however, it is shifting the risk of high inflation or poor investment returns away from future underwriters and shareholders and towards its employees.

Since BA can not oblige its existing employees to make the switch, it has needed to dangle an attractive carrot. By integrating with the basic state pension, the new scheme will enable the gross contribution of employees to fall by 2 per cent of salary. Moreover, in making the switch, employees will be able to take surplus accrued benefits either in the form of cash, which BA is largely sheltering through its own tax losses, or in the form of additional years of service.

These attractions may well be enough to draw the large numbers of BA employees into the new scheme. The catch, however, lies with the reduction in indexation to a ceiling level of 5 per cent.

The assumption of BA's own actuaries is that the annual rate of increase in pension costs will be 1 per cent less than under the old scheme. That, however, broadly assumes a long-term inflation rate of 6 per cent. Anything higher, and the erosion of the real value of the pension would leave employees on the wrong end of a gamble.

Gestetner

Gestetner's full year figures to November look reasonable at the pre-tax level – from a £3.1m loss to a £6.9m profit – but there are still some ugly holes below the waterline.

The tax charge, as a result of ungroupable losses, is bigger than taxable profits, and after a whopping £6.3m of extraordinary items the effect at the bottom line is a 2p loss for every pound of turnover.

Even above the line, the increased loss in the U.S. brings the two-year total there to a round £10m. It is dispiriting to learn that Australia has slipped into first-time loss, thereby joining the roll-call of countries – Germany, Mexico, the U.S. – which have provided Gestetner with unexpected bad news in recent years.

The cash haemorrhage has stopped – just – and barring accidents this year's pre-tax could be about £12m. At 80p – up 8p on the figures – the shares are at a 12 month high, and at a discount to book asset value of some 60 per cent.

Volvo

Not even the spreading oil slick around its Scandinavian Trading Corporation (STC) subsidiary, which yesterday was attracting monster provisions and a fresh equity transfusion, could obscure the remarkably strong results Volvo has been getting out of its central business of producing cars. Despite the losses and write-offs associated with STC, group profits for 1983 rose by over 50 per cent to SKr 3.8bn ($463m).

The success of Volvo's 760 car model – aided by the competitive advantage of a soaring dollar rate – contributed to a 45 per cent rise in car sales in 1983. Although segmental profits are not provided at the preliminary stage, it would be surprising on this basis if profits from cars were much less than SKr 3.5bn, compensating for the further decline in trucks, where Volvo has not escaped the consequences of general overcapacity.

The problems in the STC oil and gas operations have nevertheless left their mark on Volvo. Overvaluations of U.S. properties have now necessitated a write-down of SKr 500m, which may at least be partially recouped on realisation. But there is a SKr 650m operating loss already under the bridge; Volvo is having to stump up for SKr 360m in new STC shares only three months after it had injected SKr 400m, and there will be fresh guarantees on some of the oil and gas assets.

Union Discount

Union's official reasons for bringing £9m of inner reserves out into public view may have to do with technical matters such as the prudent level of provision for deferred tax, but there can be little doubt that the directors – like those of Alexanders – have been looking hard at their chances of remaining independent in the newly conglomerate City of London. Putting more of the houses' assets in their balance sheets may not guarantee that they can go on drinking their own champagne, but at least it should help to ensure that any merger is done on terms that are fair to the shareholders. The shares gained 10p yesterday to 760p.

For Union, that prospect is probably more important than a backward glance at some rather flat trading results, profits having fallen last year by almost half to £8.1m despite a greater tax benefit from leasing. For much of the time, running margins on the bill book were very skimpy, and when they widened Union's judgement was against aggressive buying, a policy which showed through also in a slimmed-down gilt edged portfolio.

Paris denounces U.S. move to stem European wine exports

BY DAVID MARSH IN PARIS

FRANCE has reacted angrily to U.S. proposals to take action against booming European wine exports to the American market. The Foreign Trade Ministry in Paris yesterday denounced the proposed Wine Equity Act, which stands a good chance of being passed by the U.S. Congress, as a protectionist measure that might provoke a trade war.

A ministry official said that if the legislation were passed, France would be certain to take "reprisal measures" against U.S. exports which would extend beyond agro-food trade.

The proposed American action, which follows sharp increases in EEC wine exports to the U.S. as a result of the strong dollar, has been discussed at Community level in Brussels. The French embassy in Washington, representing EEC interests during France's present six-month presidency of the Community, intends to take up the matter with the U.S. Commerce Department to try to forestall any barriers.

West Germany and Italy are also big wine exporters to the U.S.

The French Government has been irritated by recent American action against European special steel manufacturers. Allegations of European barriers to American wine – which form the justification for the planned U.S. wine move – are "a joke," according to the Foreign Trade Ministry official.

He said the real reason was complaints by Californian wine growers who were being squeezed by competitive pressures caused by the dollar's surge against European currencies.

French wine, spirits and champagne exports to the U.S. have risen by about 25 per cent over the last 12 months, although the increase has varied among product categories.

During the first 11 months of 1983, those exports amounted to more than FFr 4bn ($464m). Champagne exports to the U.S. came to FFr 650m, while sales totalled FFr 530m for Burgundy and Beaujolais wines and FFr 400m for Bordeaux. Table wines made up FFr 250m and spirits FFr 1.3bn.

A ministry official said that exports of French cheese to the U.S. were already covered by restrictive American health regulations. If barriers were spread to wines – which amount to around half of France's agricultural and food sales to the U.S. – then nearly all the products in this category would be covered by restrictions.

Banks seek decision on Channel link funds

BY OUR BRUSSELS STAFF

FIVE leading British and French banks are urging a decision on the financing of a twin rail tunnel under the Channel within the next six months.

The banks – Midland and National Westminster of the UK and Banque Indosuez, Banque Nationale de Paris and Crédit Lyonnais of France – have calculated that the total finance needed would be between £7bn and £8bn ($9.9bn – $11.3bn), according to reports circulating in Brussels after informal bank briefings.

That would cover not only construction but costs involved while waiting for the tunnel to produce revenue.

The reason for haste is that the recession has allowed large surplus funds to accumulate on the international money markets. Large capital projects seeking finance are scarce.

It is being argued by the banks that, as the recession ends, more candidates for money market funds will emerge to compete with the Channel link.

The banks are in the final stages of preparing a report on the feasibility of a fixed link between the UK and France for the governments of both countries. The report has been partly financed by the European Commission because of its implications for EEC trade.

Although the banks months ago adopted the twin-tunnel rail link as the most cost-effective, the final details of their report have not been put in place because of difficulties over the terms of guarantees that should be offered to potential investors.

The UK Government has made clear that it will offer only political guarantees for the future security of the link.

M Charles Fiterman, the French Minister of Transport, told the transport committee of the European Parliament this week that France wanted the link and would offer firm technical and political support.

The absence of any financial underwriting by the respective governments has left the banks with the task of working out forms of guarantee to cover first the possibility of cost overruns and construction delays and, second, a lower level of traffic through the tunnels than is envisaged.

Such guarantees are considered to be necessary before bond issues are floated on the European and U.S. capital markets.

Midland to tighten grip on Crocker

By Paul Taylor in New York

MIDLAND BANK, the UK-based international banking group, has quietly prepared its way further to tighten its grip on Crocker National Bank, its troubled U.S. subsidiary, by "renouncing" much of its 1981 investment agreement with the bank.

The amendment, detailed in a short Midland Bank filing with the U.S. Securities and Exchange Commission (SEC), effectively tears up an important part of that agreement.

Under the agreement, Midland bought a majority stake in Crocker but said it intended that the California-based bank should be allowed "the maximum operational autonomy consistent with the duties of Midland's board of directors to Midland to avoid jeopardy to its investment."

The filing follows the announcement by Crocker last week that Mr John Harris, a director of Midland Bank and currently head of its International Division, is to be appointed the senior vice-chairman of Crocker and to be appointed Midland's fourth member on the 25-strong Crocker board.

Shareholders agree to new Arbed finance

By Paul Cheeseright in Brussels

ARBED, the troubled Luxembourg steel group, yesterday moved a stage further in its financial reorganisation when an extraordinary general meeting gave the board authority to raise more funds and to increase the capital.

Shareholders gave permission for the raising of a further LuxFr 5.25bn ($91bn) in the form of subordinated convertible loans.

A similar step was taken last September by virtue of reserving a portion of the loan for the Luxembourg authorities, it lifted the state shareholding from 14 per cent to 22 per cent.

There is the possibility that the Government might take up part of the newly-authorised loans, and bench spokesman said, but he could not confirm this.

At the same time shareholders gave consequent approval for the creation of 2.28m shares without nominal value, lifting Arbed's capital from LuxFr 10.2bn to LuxFr 18.2bn.

The new shares created by the decisions of yesterday and last September carry with them the right to a priority annual dividend of LuxFr 140.

The two stages of this reorganisation give the Arbed board some degree of financial latitude at a time when the company is suffering from both reduced demand and the necessity to fund major capacity cuts and modernisation of facilities.

Part of this industrial restructuring is covered by a production sharing and investment programme worked out with Cockerill Sambre of Belgium. Yesterday the board gave formal approval to this agreement, settled by political leaders earlier in the month.

The trade union representatives on the board voted against the pact, continuing the campaign of opposition which has been evident at Arbed plants.

Bonn firm on steel regime

Continued from Page 1

this month the companies' DM 7bn investment plans and their output reduction schemes, which are supposed to ensure German capacity of 45m tonnes a year by 1985, 17 per cent down on 1980.

Although a plan to shrink by merger collapsed last year, Bonn's moral case has been somewhat strengthened by the opening of negotiations between Viscount Etienne Davignon, the EEC Industry Commissioner, and Klöckner-Werke to bring the renegade producer back into the quota system.

The negotiations will be lively. Klöckner-Werke will insist on additional quotas and an amnesty, while Viscount Davignon is said to want the company to pay at least some of the DM 160m in fines he has imposed as a discouragement to other producers to overstep output limits.

EEC plans committee economies

BY JOHN WYLES IN BRUSSELS

THE European Commission, anxious to make its budget stretch further and stung into action by a critical European Parliament report, is planning to eliminate or mothball 120 committees of experts who regularly travel to Brussels to advise the Commission.

The Commission is aiming to save 1.5m European Currency Units ($1.2m), which would normally be considered a minor amount out of the EEC's 1984 budget of $21.7m. Since, however, that is not going to be enough to cover all spending needs, the Commission is being forced to save all it can.

Some 600 committees of experts, drawn from national governments and independent organisations, have been created to advise the Commission on drafting legislation and applying policies. A parliamentary committee recently called for rationalisation and economies by next month.

By 1982, the cost of committee meetings had reached Ecu 10.8m helped by the fact that governments could send any number of experts and be fully reimbursed.

Since not every government wants to be represented, the average number of 14 experts a meeting in 1982 raised suspicions of "free-loading."

World Weather

		°C	°F
Ajaccio	F	11	52
Akrotiri	C	18	64
Algiers	F	16	61
Amsterdam	F	1	34
Athens	F	13	55
Bahrain	C	20	68
Bangkok	S	33	91
Barcelona	S	12	54
Beirut	F	18	64
Belgrade	R	2	36
Berlin	C	2	36
Biarritz	S	11	52
Blackpool	F	3	37
Bordeaux	S	10	50
Brussels	S	3	37
Budapest	Sn	2	36
B. Aires	S	30	86
Cairo	S	20	68
Cape Town	S	25	77
Caracas	C	27	81
Casablanca	S	16	61
Copenhagen	Sn	1	34
Corfu	F	11	52
Dublin	F	2	36

		°C	°F
Dubrovnik	S	9	48
Faro	S	14	57
Florence	–	—	—
Frankfurt	F	3	37
Funchal	F	16	61
Geneva	F	2	36
Gibraltar	S	16	61
Guernsey	F	6	43
Helsinki	Sn	-7	19
H. Kong	C	14	57
Innsbruck	C	1	34
Inverness	S	-4	25
Istanbul	R	9	48
Jersey	F	6	43
Jo'burg	S	25	77
Las Palmas	F	20	68
Lima	S	27	81
Lisbon	S	9	48
Locarno	C	18	64
London	S	6	43
Los Angeles	S	21	70
Luxembourg	C	-1	30
Madrid	S	6	43
Majorca	S	15	59

		°C	°F
Malaga	S	16	61
Malta	C	12	54
Manila	C	29	84
Miami	C	25	77
Milan	S	10	50
Moscow	C	-7	19
Munich	C	-1	30
Nairobi	–	—	—
Naples	S	15	59
New Delhi	S	19	66
New York	C	6	43
Nice	S	12	54
Oporto	F	12	54
Oslo	F	-11	12
Paris	S	5	41
Prague	Sn	1	34
Reykjavik	F	-6	21
Rio de J'o	C	31	88
Rome	S	12	54

		°C	°F
Salzburg	Sn	0	32
Seoul	F	-5	23
Singapore	R	29	84
Stockholm	Sn	-5	23
Strasbourg	F	4	39
Sydney	S	37	99
Taipei	S	19	66
Tangier	S	16	61
Tehran	–	—	—
Tel Aviv	S	19	66
Tenerife	C	19	66
Tokyo	F	6	43
Toronto	R	2	36
Tunis	F	15	59
Valencia	S	15	59
Venice	S	7	45
Vienna	F	3	37
Warsaw	Sn	0	32
Zurich	C	1	34

Readings at mid-day yesterday.

C–Cloudy D–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

UK has £2bn surplus

Continued from Page 1

December's surge in exports to £5.9bn from £5.3bn in November contributed to a 9 per cent increase in volume terms in the last three months of 1983, compared with the previous quarter.

Car exports were particularly strong, showing a 39 per cent increase in the quarter.

The picture is less encouraging over the whole year, however. A poor performance in many of the early months resulted in a rise of only 1.5 per cent in the volume of exports compared with 1982.

That contrasts with a year-on-year rise of 7 per cent in the volume of imports, and a 4.5 per cent increase in the fourth quarter. This confirms signs that much of Britain's consumer-led recovery is feeding directly into imports.

In addition, while the current account surplus is well above most recent forecasts, and four times the level last predicted by the Treasury, it is less than half the £5.4bn recorded in 1982.

Mr Paul Channon, the Minister for Trade, was optimistic, however, about prospects for 1984.

The Trade Department said the contribution of North Sea oil to the visible trade balance showed another significant rise last year. Oil trade had a surplus of nearly £7bn

Published by The Financial Times (Europe) Ltd., Frankfurt Branch, represented by G.T.S. Damer, Frankfurt/Main, F. Barlow, R.A.F. McClean, M.C. Gorman, D.E.P. Palmer, London, as members of the Board of Directors. Printer: Frankfurter Societäts-Druckerei GmbH, Frankfurt/Main. Responsible editor: C.E.P. Smith, Frankfurt/Main.

FINANCIAL TIMES
Thursday January 26 1984

Mounting costs push Eastern Air Lines deeper into the red

BY TERRY DODSWORTH IN NEW YORK

EASTERN AIR LINES, the fourth largest U.S. domestic carrier, sank still further into deficit last year when its net loss rose from $74.9m in 1982 to $183.7m – the company's fourth annual consecutive loss.

The results bring the struggling airline's losses over the four year period to an aggregate $387m, during which time it has paid no dividends on its common stock. Eastern said yesterday that it will also be deferring payment on its cumulative preferred and cumulative junior preferred stock for the final quarter, which will leave it with two quarterly dividends now unpaid and accumulated on this category of stock.

Mr Frank Borman, the former astronaut who is chairman of Eastern, blamed the losses on "relentless increases" in operating expenses, and continued heavy competition that restricted traffic growth and fare relief last year.

Eastern's results underline the widening gap between the U.S. airlines which are emerging from the recession in better shape from streamlined costs and those which are struggling to compete. Only last week American Airlines reported record earnings of $228m in 1983.

Eastern has recently negotiated a new agreement with its workforce which will cut labour costs in return for handing over a substantial equity stake to employees. This agreement, however, will only begin to affect the company in the current year.

Meanwhile, last year's results were helped by a $121.4m gain on the sale of tax benefits, against a comparable benefit in 1982 of $51.3m.

● USAir, one of the most rapidly growing U.S. regional carriers, reported record profits of $80.8m or $3.49 a share last year, against $59.1m, or $3.35 a share in 1982.

The Pittsburgh-based group showed a jump in fourth quarter net earnings from $12m or 66 cents a share to $30.56m or $1.26 a share last year. Sales in 1983 rose to $1.43bn against $1.27bn.

Socal lifts income despite lower sales

BY OUR NEW YORK STAFF

STANDARD OIL of California, the international integrated oil group ranked fourth in the U.S., boosted net earnings for 1983 by 15.5 per cent, from $1.38bn to $1.59bn or $4.03 to $4.65 a share, despite a near 19 per cent fall in revenues from $35.9bn in 1982 to $29.18bn.

But fourth-quarter results were disappointing. Earnings slipped 5.2 per cent, from $425m or $1.25 a share to $403m or $1.18 a share, and revenues sagged by 5.7 per cent, from $7.89bn to $7.44bn.

Earnings for the year included an inventory drawdown benefit estimated at $243m, compared with a similar benefit of $397m in 1982. They also included foreign exchange gains of $60m, against $39m previously.

Fourth-quarter returns took in stock reduction benefits of $137m against $232m a year earlier.

Mobil had a strong fourth quarter, boosting earnings from $398m to $445m, or from 97 cents to $1.09 a share. This lifted 1983 earnings from $1.21bn, or $2.91 a share, to $1.50bn, or $3.65 a share.

The 1983 figures for both periods include a $98m write-off associated with Mobil's share of the Mukluk well in Alaska.

Revenues for 1983 totalled $58.5bn, against $64.1bn the previous year, with the fourth-quarter returns slightly lower at $15.6bn against $16.5bn.

Getty Oil, the U.S. oil company that is being taken over by Texaco, suffered a 29 per cent fall in net earnings last year from $692m or $8.81 a share, to $494m or $6.24 a share. Sales also fell from $12.4bn to $12bn.

The decline in profits was due to a second quarter after tax charge against earnings of $250m for potential liabilities relating to a Department of Energy claim that the company had violated crude oil price regulations.

Mr Sidney Petersen, chairman, said that without the special charge earnings for 1983 would have increased by $53m, or 7.6 per cent, compared with the previous year.

Although some of the main hurdles to the takeover of Getty have now been cleared by Texaco, Getty is being sued by Pennzoil, its earlier suitor, for backing out of its deal. Pennzoil disclosed yesterday that it is asking for $7bn in damages from Getty.

Sun Company, the domestic integrated U.S. oil group, had a depressing fourth quarter, with earnings sliding from $151m to $81m. Full-year profits eased from $537m to $453m.

Fourth-quarter sales increased from $4.1bn to $4.23bn.

Third-quarter earnings gain for General Foods

BY TERRY BYLAND IN NEW YORK

A FURTHER increase in earnings is reported for the third quarter of fiscal 1984 by General Foods, producer of Maxwell House coffee and a broad range of processed foods and beverages.

Mr James Ferguson, chairman and chief executive, said earnings for the final quarter would be depressed by the continued pressure on the group's coffee business and by the need for increased investment in the cereal operations.

In the third quarter earnings rose 31 per cent to $66.7m or $1.28 a share, with sales ahead by only a modest 4.9 per cent to $2.1bn.

For the nine months, General Foods, which is based in White Plains, N.Y., has lifted earnings 11.8 per cent to $190.8m or $3.84 a share on sales 5.2 per cent up at $6.4bn.

Mr Ferguson said increased sales volumes across most of the group's businesses, including aspartame-sweetened beverages, with expansion in international markets, helped profits in the third quarter.

There were shortfalls in the group's coffee business, however, where trading remains highly competitive, and similar problems are intensifying in the cereals operations.

In fiscal 1983 General Foods earned $288.5m or $5.73 on sales of $8.3bn. Its coffee operations, which still account for about one third of sales, have suffered from strong competition in both U.S. and world markets.

Sales of aspartame-sweetened drinks have been a major area of successful growth for the group.

● Consolidated Foods, the U.S. food processing group whose European interests include a controlling stake in Douwe Egberts of the Netherlands, reported a gain of 15 per cent to $47.7m or 81 cents a share in earnings for the second quarter of fiscal 1984.

New S-E Banken chief

BY KEVIN DONE, NORDIC CORRESPONDENT IN STOCKHOLM

MR CURT OLSSON is to become chairman of Skandinaviska Enskilda Banken (S-E Banken), the largest bank in the Nordic region, after the retirement in March of Mr Lars-Erik Thunholm, the present chairman.

The board decided yesterday that the post should continue to be filled by a full-time executive chairman and a professional banker, so ending the chances of the two other leading candidates, Mr Peter Wallenberg and Mr Pehr Gyllenhammar, chairman of Volvo.

Mr Wallenberg, the son of Mr Marcus Wallenberg, who was for many years chairman of the bank and head of Sweden's most powerful banking and industrial dynasty, has strengthened his position within S-E Banken, however, and is to become first deputy chairman as well as chairman of the Stockholm board, one of the bank's three regional boards, which includes the bank's international operation.

Mr Curt Olsson, 36, joined Skandinaviska Bank in 1964 as the deputy manager and head of marketing. After the merger with Stockholm's Enskilda Banken in 1982 he became managing director of the Stockholm regional group. He became first deputy chairman of the group board in 1982 and has had chief responsibility for overseeing the operations of major bank subsidiaries.

Procter blames competition for decline

By Paul Taylor in New York

PROCTER & GAMBLE, the leading U.S. household products group, yesterday reported a further slowdown in earnings growth in its fiscal second quarter ending December 31, with net earnings increasing just 1.9 per cent to $214m.

The company blamed the costs of an aggressive worldwide programme of new brands, plus competition in the market for some of its established brands with a slower earnings growth, and warned: "These factors may have a somewhat greater effect in the January-to-March quarter."

The decline in Procter & Gamble's earnings growth continues a pattern established in the company's first fiscal quarter, which saw a modest 6 per cent increase in net earnings to $273m.

The latest quarterly earnings, which are equivalent to $1.29 a share, compare with net earnings of $210m, or $1.27 a share, in the corresponding period of 1982, on sales which increased by 3.5 per cent to $3.13bn from $3.03bn.

Strong trend continues at Philip Morris

By Our New York Staff

PHILIP MORRIS, the diversified U.S. tobacco group, accelerated to a 15.6 per cent increase in net earnings last year from $782m or $6.23 a share, to $904m, or $7.17 a share.

Revenues increased rather more slowly, by 12 per cent from $11.59bn to $12.98bn, while the profits advance was particularly strong in the final quarter, when net income rose from $174.7m to $211.4m.

The group, which operates under the Marlboro and Benson and Hedges trademarks, and also owns the Seven-Up soft drinks company and Miller Brewing, has increased its market share in the tobacco industry over the last 12 months despite falling volume in the market. Its soft drinks side has also been very strong.

Union Pacific up 19% in fourth quarter

By Our Financial Staff

UNION PACIFIC, the third largest rail company in the U.S., through a 19 per cent fourth-quarter advance, lifted operating profits on continuing operations in 1983, from a restated $356.9m to $440.9m. But on enlarged capital, earnings per share dipped from $3.70 to $3.57.

The results excluded losses from discontinued operations, which had jumped from $24.6m to $144.1m.

For the final three months, profit was $106.18m, against $89.11m previously, and revenue rose from $1.53bn to $2.01bn, taking the year's total to $8.52bn, compared with $5.92m.

The company said its balance sheet was stronger and earnings in several key businesses were resuming an upward trend.

Severe fall for Paine Webber

By Our New York Staff

PAINE WEBBER became the second major Wall Street investment firm to announce substantially lower earnings in the quarter to December.

The brokerage firm said that during its first fiscal quarter "expenses rose without a corresponding increase in revenue".

As a result, net earnings fell 70 per cent to $9.2m, or 55 cents per share, compared to $30.3m or $1.92 a share on revenues down from $387.2m to $373.1m.

NORTH AMERICAN PUBLISHER MOVES TO TIGHTEN ITS CONTROL

Dow Jones puts family before prestige

BY BARRY RILEY, RECENTLY IN NEW YORK

ACCORDING TO a recent survey by Fortune magazine, Dow Jones is America's second most admired company, ranking only behind IBM. Yet Dow Jones apparently feels insecure – so much so that last week it announced plans for a capital reconstruction that would leave it in breach of the rules of the New York Stock Exchange.

Dow Jones is proposing a vote-concentrating manoeuvre which is designed to leave control in the hands of the Bancroft family for the foreseeable future. Such restrictions are not compatible with a listing on the "Big Board", so Dow Jones will have to choose between being traded on the much smaller American Stock Exchange or on the Over-the-Counter market.

In fact Dow Jones is no stranger to the OTC, having been traded there on going public in 1963. It was not until 1976, following the takeover of the Richard D Irwin book publishing company in a share exchange transaction, that Dow Jones fulfilled the NYSE's requirements for the minimum number of individual shareholders.

The listing on the NYSE in July 1976 was described as "a move designed to provide stockholders with the best possible market and also to facilitate the broadening of share ownership over the long run".

This broadening now appears, however, to have gone quite far enough, with 56 per cent of the company's 64m shares remaining in family hands.

Mr Frederick Harris, vice-president in charge of finance, admits that "there's a certain prestige to being on the NYSE that we will have to give up." The choice between the other two markets remains open – the American Stock Exchange will be invited to give a presentation – although the fast-expanding and improving OTC is probably the favourite.

The family's shareholdings have gradually reduced over the years. The original 100 per cent held by Mr Clarence W Barron, and then by his stepdaughter Jane Bancroft, was split three ways among her children.

Two of these have died – one in 1982 – and the survivor, Mrs Jane Cook, is said to be anxious to put her estate in order. At 71 she continues to sit on the Dow Jones board, where she has been joined by Bettina Bancroft, representing the next generation of the family.

Continuing family control was therefore threatened by estate taxes. It was also potentially endangered by future family rifts – of the kind, for instance, which recently allowed Mr Rupert Murdoch to snap up the Chicago Sun-Times from the Field family.

There is no sign of such a split in the Bancroft family at present. But Mr Harris observes: "As time goes by it's logical to assume that the family will not be as cohesive as it has been over the past 80 years and the stock will gradually be dispersed."

Dow Jones looked at a lot of schemes to concentrate control in family hands. The one it has chosen involves the creation of Class B common stock (with ten times the voting power of the existing common) which will be distributed to all stockholders on the basis of one "B" share for every two existing shares.

But the company did not like the idea of creating high-voting stock which might one day turn up in the wrong hands. So there is a twist. The "B" stock cannot be traded unless it is first converted into low-voting common (though it can be passed on to other members of a shareholder's family).

Initially the voting balance between family and non-family shareholders will not change. But the assumption is that the non-family holdings will be steadily turned over, destroying the extra votes in the process, whereas the family will hold on to its "B" stock, selling only the existing common.

The scheme has the advantage that a disaffected family holder could not sell "B" stock to a predator.

Meanwhile the lowest possible voting power of the family, assuming it sold all its existing common but held on to the "B" would be 47 per cent. And it would be higher than that to the extent that non-family holders liquidated their "B" shares, which they could only do by converting them into marketable common.

Eventually, however, the family holdings are likely to be broken up too. "To set up something that would perpetuate family control for ever was not really considered," says Mr Harris. "This allows time for the family to decide what they want to do."

Parallels are drawn with other U.S. newspaper companies like the New York Times and the Washington Post, although in each case protective voting structures were already in place when they obtained stock market listings.

Defending the decision, Mr Harris claims that "no purchaser of Dow Jones ever bought it for the votes."

But the broader defence is that Dow Jones' growth depends upon its independence and freedom from short-term pressures. Last week Mr Warren H Phillips, chairman, claimed that the "quasi-public-trust philosophy" of Mr Barron and his descendants was crucial to the growth and financial success of the company's major publication, the Wall Street Journal, and its other products.

As Mr Harris puts it: "The independence, the integrity of the Journal we think is part of the reason for our financial success, and our financial success has benefited all shareholders. We hope this plan will continue that success for some time into the future."

The move has been timed to coincide with some particularly good results due out shortly. After nine months, net income was up by more than a quarter. Advertising linage at the Journal was up 12 per cent in 1983 (leading to advertising backlogs of up to two months) and the year ahead will be boosted by a rise in the Journal's newsstand price from 40c to 50c on April 1.

Circulation of the year-old European edition is said to be over 20,000, and though continuing to be a lossmaker the Wall Street Journal/Europe this year is "budgeted to be less in the red than in 1983," according to Mr Harris.

Under the family umbrella Dow Jones claims to have been able to take a long-term view. For example, it has sought to protect the reputation of the Journal by refusing advertising for stock tipping and advisory services (though such advertisements are prominent in the bulging Barron's, the company's investment weekly).

Moreover, the company has just fought a court action in Illinois to prevent the use of the Dow Jones averages as the basis for trading in index futures.

"We could realise millions of dollars of revenue by allowing people to use Dow Jones indices as an options devise, and we refuse," says Mr Harris. "We could not do it simply because of the perception, however mistaken, on the part of the public that Dow Jones could be a participant in stock exchange activity. Dow Jones is a reporter, not a participant."

With less risk of dilution of family control, Dow Jones could find it easier in future to consider acquisitions financed by new equity. But this will depend upon its ability to issue the low-voting common stock rather than the vote-laden "B."

Deutsche Bank Luxembourg to omit payout and lift provision

BY JONATHAN CARR IN LUXEMBOURG

THE LUXEMBOURG subsidiary of Deutsche Bank, West Germany's biggest commercial bank, again boosted profits in 1983 but is using them solely to strengthen its provision against lending risks.

As a result Deutsche Bank Compagnie Financière Luxembourg will be making no payout to its German parent, and its total risk provision will rise to DM 1.2bn ($425.5m).

Dr Robert Ehret, chairman of the board of directors, stressed that the bank had already made big provisions in past years and that 1983 earnings had been good.

Nonetheless, in view of growing risks caused not least by the increasing number of countries involved in rescheduling their debt, the bank felt it wise to strengthen its provisions still further.

Neither he nor Dr Wilfried Guth, co-chairman of the parent bank, saw a prospect of falling interest rates in the forseeable future – meaning the interest burden on the indebted developing world would stay high.

Dr Ehret put Deutsche Bank Luxembourg's total credit volume at the end of last year at DM 22bn – a rise of some 16 per cent on the figure for end September 1982.

The figures issued cover a 15-month period because the Luxembourg subsidiary has just changed its business year (previously October 1 to December 31) to match the calendar year accounting of the parent bank.

Of the DM 22bn total, about half involved credit to West German customers, 23 per cent to other industrial states, 12 per cent to Latin America and 7 per cent to Eastern block countries. The total risk exposure of the bank to countries involved in debt rescheduling was DM 3.2bn.

The balance sheet total was up by 9.6 per cent in the 15-month period to DM 26.5bn. But Dr Ehret stressed that in view of the rise in the U.S. dollar over the last year, this rise expressed in D-Marks implied virtually no business expansion in real terms.

He warned against the "unsystematic provision of credit at any price" and said the bank was sticking to a very cautious policy. "The question of what place we hold in the list of 'lead management positions' for Euro-credits has never much interested us," Dr Ehret said.

Total operating profit for the 15 months was about DM 400m, of which the biggest single portion, DM 320m, came from interest and commission earnings. A comparison of profit for the calendar year 1983 against the previous year would show a rise of a bit more than 10 per cent.

The profits rise was due to two factors above all. One was the marked increase in D-Mark terms of dollar business, the other was the improvement in the bank's refinancing costs.

Taking account of growing risk

BY OUR CORRESPONDENT IN LUXEMBOURG

FOR DR WILFRIED Guth, co-chairman of the Deutsche Bank, almost every cloud has a silver lining. Because of the international debt crisis, his bank's Luxembourg subsidiary is greatly strengthening its risk provision and making no payout to the parent from 1983 profits. Yet as Dr Guth blithely told a press conference, things might be even worse.

He pointed out that in contrast to the situation in Latin America, the Philippines' debt problems had brought no "domino effect" in Eastern Asia. On the contrary South Korea, Indonesia and Malaysia were making progress with their economic stability efforts and Deutsche Bank was sticking to its positive view of prospects in the whole region. In Eastern Europe, too, Romania's debt position seemed to be improving.

Moreover, in the main problem area of Latin America, West German banks were far less involved than their U.S. counterparts, which had about a 40 per cent share of the region's bank debt. The German share (parent banks and foreign subsidiaries together) was about 6 per cent, or $12bn.

That said, Dr Guth stressed that the debt problem would not be solved for years – even on the big condition that most things went right from now on. He agreed that the gradual economic upswing in the industrialised world improved the export prospects and earnings of many indebted developing states.

But he also believed that the U.S. dollar would remain strong and interest rates high, so no relief could be expected from that quarter. After all a cut in interest rates of just one percentage point would mean a yearly relief of $3bn in the debt service burden of the non-oil producing developing countries.

The Deutsche Bank chief expressed relief that the $6.5bn crisis package for Brazil now seemed certain to go through, despite the problems in raising the last $100m. But the difficulties involved showed that the solidarity of creditor banks to keep putting up "fresh money" to indebted countries could not be relied upon indefinitely.

What might be done instead? Dr Guth suggested that for many banks it might be more acceptable to grant the debtor nations deferral of their interest rate payments. But he was well aware that U.S. banks had major legal problems with such an arrangement, so discussions were underway on possible variations.

Dr Guth has also constantly stressed that, while the banks must take full responsibility for dealing with the problems arising from provision of past credit, public bodies like the IMF and World Bank will have to play a growing role in future. But he clearly expects no miracle solution from them either. Little wonder that, with that uncertain future, Deutsche Bank Luxembourg is stuffing every D-Mark of profit available into its risk provision – with the enthusiastic endorsement of Dr Guth.

Restructuring hits Harland and Wolff results

BY OUR BELFAST CORRESPONDENT

HARLAND AND WOLFF, the state-owned Belfast shipyard reported yesterday increased losses of £42.8m ($30.55m) for the year to March 1983, despite an improvement in its trading position.

The overall loss was up from £26.2m in the previous 15 months, reflecting substantial costs incurred by the company in rationalising its activities and cutting the labour force by almost 1,000.

Mr John Parker, chairman, said these costs were significant, amounting to £7.8m, but they were part of the plan to ensure that Harland and Wolff had a place in the forefront of the European shipbuilding industry.

The value of work carried out by the company was £72.5m compared to £97.5m in the previous period. Operating losses were cut from £31.7m to £19.9m, an underlying improvement which was praised by Mr James Prior, Northern Ireland Secretary.

Mr Prior said in a statement that he was "most concerned" at the size of the overall loss. But he acknowledged that it was largely due to the considerable costs of restructuring and to some change in accounting policies. The improvements were only the beginning of the road

The yard would have to improve on the increases in efficiency and cost savings being made by other world shipyards if the British taxpayer was to be asked to continue support for the company.

The local losses were boosted by a £5.6m addition to provisions for future losses and a £9.6m provision for future financing costs on customer contracts.

Mr Parker indicated that recovery was some way off.

Diamond Shamrock setback

By Our Financial Staff

A WRITE-OFF of more than $149m, mainly on the Mukluk exploratory well and other leases in the Alaskan Beaufort Sea, helped to send Diamond Shamrock, the U.S. oil and gas company, plunging deeply into loss in the fourth quarter of 1983.

After the write-off there was a net loss of $130m in the final quarter compared with a $46.2m or 73 cents a share profit for the corresponding period of 1982. The loss for the year emerged at $60.22m against a profit 12 months earlier of $149.5m.

The company said that other year-end adjustments and write-downs of assets resulted in additional pre-tax charges of $91.4m.

Diamond Shamrock's chairman and chief executive, Mr William H Bricker, said that although the company was disappointed at the results from the Mukluk area, it was "financially prepared whether drilling turned up a substantial long-term oil field development project or meant writing off a dry hole."

Sales for the fourth quarter jumped from $755m to $1.18bn, taking the year's total from $3.18bn to $4.03bn.

An extraordinary gain from the exchange of securities of $4m reduced the loss for 1983 to $56.2m. In the previous year such swaps produced a gain of $35.5m, taking net profit to $185m.

Diamond Shamrock invested heavily in petroleum leases in the Beaufort Sea in 1982 including involvement in Sohio's Mukluk well.

Marietta advance after asset sales

By Our Financial Staff

MARTIN MARIETTA, the U.S. aerospace, aluminium and construction materials group, has continued to strengthen its financial position, seriously weakened in 1982 in its battle to fend off a takeover attempt by Bendix Corporation, itself subsequently bought up by Allied Corporation, the diversified U.S. group.

Various assets sales have enabled Marietta to lift earnings for 1983 to $141.3m or $4.23 a share from 1982's $91.64m or $1.95 a share. This included fourth quarter profits equivalent to $1.00 a share compared with a deficit in the 1982 period.

Sales for 1983 increased to $3.9bn from $3.5bn previously.

All per share figures have been adjusted for a three-for-two stock split in the latest fourth quarter, with average shares in issue now standing at 30.8m against 47.1m. Last October Marietta completed the purchase of its own shares acquired by Allied in that company's merger with Bendix.

Sharp recovery for Celanese

By Our Financial Staff

CELANESE, the New-York-based man-made fibre and chemicals group, continued its recovery in 1983 with a $98m swing from loss to profit in the fourth quarter. Full-year net earnings emerged at $112m, or $6.89 a share, compared with a $34m loss, or $2.45.

The turnround in the final quarter was from a $54m deficit to a $52m profit. Sales for this period were up $140m at $850m, taking the total for the year to $3.3bn, against $3.1bn.

The 1983 figures include a $25m exchange gain and are after a $10m writedown on polyester filament assets in Brazil, and a $7m writedown on raw materials for water soluble polymers.

INTERNATIONAL COMPANIES and FINANCE

Wong Sulong on the man behind the rapid growth of a Malaysian conglomerate

Azman brings AMD into the big league

Arab Malaysian Development is rapidly taking shape as a Malaysian conglomerate. The force behind it is Mr Azman Hashim, a 44-year-old former banker, and now one of the country's top entrepreneurs.

Over the past three years, the boyish-looking Mr Azman has woven his disparate business activities into a cohesive group under the Arab-Malaysian Development (AMD) heading. AMD is now set to make its impact on the Malaysian and regional corporate scene.

At the end of last year, AMD ranked 85th among the top 100 companies listed on the Kuala Lumpur stock exchange. Before the current year is out, it should be among the top 10.

These are the steps Mr Azman has taken:

● In April 1981, he bought a 40 per cent stake in the publicly listed Taiping Textiles from the Sung family of Hong Kong for 40.5m ringgit (US$17m). Subsequently, he injected various of his properties into the company in exchange for shares to raise his stake to over 50 per cent.

● In April 1982, Mr Azman bought over 55 per cent of Arab-Malaysian Merchant Bank from a semi-government agency with a loan from Malayan Banking. A few months later, he bought the remaining 45 per cent from its Arab owners. The total paid for the bank is estimated at around 110m ringgit. The bank is the biggest and most profitable of Malaysia's 12 merchant banks.

● In July last year, Mr Azman announced he was selling 45 per cent of the bank to Taiping Textiles in exchange for shares. The deal valued the bank at nearly 700m ringgit—a move that aroused considerable controversy. The government's Capital Issue Committee subsequently scaled down the valuation of the bank to only 320m ringgit—still a good 200m ringgit more than Mr Azman paid for it. . . .

Taiping Textiles (now renamed AMD) will have to issue 144.9m shares valued at one ringgit each for the 45 per cent holding in the bank.

Following this, and after scrip and rights issues, AMD will have a paid-up capital of 257m ringgit, divided into 514m shares of 50 cents each. The market currently values AMD at nearly 1bn ringgit.

Corporate flair

To transform a lack lustre textile venture into one of the biggest and highest rated companies in the highly politicised Malaysian business environment requires someone not only with corporate flair but also with good political contacts.

Mr Azman has proved he has both.

Born in a middle-class family, he was among the first Malays to be sent to Australia to study chartered accountancy in 1955. On his return, he joined Bank Negara, the central bank. Later, he set up his own accounting practice.

In 1966, he joined the board of Malayan Banking, becoming an executive director in 1971. During the 1970s he made money share dealing and property purchases.

Mr Azman's long association with Malayan Banking gave him the necessary business and political contacts. He is an active member (some see him as the financier) of the ruling United Malays National Organisation. He is close to Dr Mahathir, the Prime Minister, and his deputy, Datuk Musa Hitam. Both leaders attended the recent wedding of Mr Azman's daughter at the Kuala Lumpur Hilton Hotel.

His latest deal—the 320m ringgit development of the Komplex Damai—illustrates the importance of good political contacts.

The Kuala Lumpur City authorities own four acres of land, adjacent to five acres held by AMD. In return for the development of a bus and taxi terminal at a cost of 34m ringgit, and a 10 per cent profit on commercial properties built on the four acres, AMD is being allowed to develop the combined nine acres into a comprehensive shopping and office complex covering over 3.5m sq ft. Mr Azman has appointed a former mayor of Malaysia's capital to head the project.

Projected profits

The AMD group now covers textile manufacturing, property development, merchant banking, finance, leasing, and portfolio management. An insurance company was recently purchased for nearly 17m ringgit.

Group pre-tax profits of nearly 50m ringgit are projected for the year to March 1984, of which 24.6m ringgit will be attributed to AMD. Most of this will come from banking, finance, and property development.

Taiping Textiles is profitable again, with the improvement in the world economy, but it is not yet making the sort of profits Mr Azman would like. "We have 2,200 workers at the textile factory working round the clock, with the order book full. Yet the profit is a fraction of what we make from banking," he says.

AMD would probably like to integrate its textile operations with other related businesses, and sell them off to to someone in a better position to operate them.

"My team and I are basically from a banking background, and we want to develop Arab-Malaysian into a financial giant," says Mr Azman.

As his managing director, he has enticed Mr Malek Merican from the Sime Darby group.

Mr Malek, a former deputy secretary-general of the Finance Ministry, is a well-respected figure in Government and corporate circles. With Mr Patrick Low as chief general manager, the three form a youthful and dynamic trio.

The acquisition of a commercial bank is the final piece to complete the AMD financial chessboard, and this target is being vigorously pursued. After that, AMD will cast its eyes on plantations, and possibly hotels.

Mr Azman now holds about 70 per cent of AMD, a stake he acknowledges to be too high. He is negotiating with friendly financial institutions to take up blocks of shares as medium and long-term investments.

That would still leave him with 55 per cent of Arab-Malaysian Merchant Bank, and on this, he is keeping his cards close to his chest.

Australian investors in high technology warned on tax

BY MICHAEL THOMPSON-NOEL IN SYDNEY

INVESTORS in Australian high technology concerns have been warned that they will not be able to treat tax savings as an early form of profit.

As part of a broad plan to encourage *high technology* enterprises, the government announced last September that licenced management investment companies would be established, and would be allowed tax deductions equal to the whole of their approved equity subscription in the year the subscriptions were made.

However, Mr Paul Keating, the Treasurer, has announced this week that the whole of an investor's tax deduction would be withdrawn if shares were disposed of within two years. If shares were disposed of within 2-3 years, 50 per cent would be revoked and 25 per cent would be withdrawn if shares were sold between three and four years after being bought.

Mr Keating said claw-back *provisions would* apply in cases where the licensing authorities revoked, suspended, or refused to renew a management investment company's licence.

To promote the development of sunrise industries, and to lessen Australia's reliance on raw commodity exports, the government is keen to encourage the growth of a high technology venture capital market, particularly as difficulty in raising equity finance has proved one of the main hurdles confronting entrepreneurs.

Brierley enters Wattie bid battle

By Our Financial Staff

BRIERLEY INVESTMENTS, the New Zealand-based master company of Mr Ron Brierley, has entered the complex takeover battle for Wattie Industries, the leading food group, by making a cash bid for an unspecified number of the company's shares. The bid values Wattie at NZ$506m (US$328m).

The entry of Brierley into the battle for Wattie – which is currently also the subject of a cash-plus-shares bid from the country's second largest company, New Zealand Forest Products (NZFP) – pushed the price of the food group up to the bid level, NZ$5.15 for ordinary shares, at the close of trading yesterday.

Last week, the New Zealand Stock Exchange authorities tried to suspend trading in the shares of NZFP on the grounds that its offer for Wattie should have been made for all shares of the same class. NZFP excluded from their offer the 35 per cent of Wattie held by Goodman, a major baking, textiles and investment group.

NZFP retaliated by obtaining an injunction to prevent the suspension. The forest products group is apparently concerned that Goodman might use the share offer for Wattie to build up its 12½ per cent holding in NZFP. Goodman and Wattie have 35 per cent cross-holdings in each other.

Market analysts comment that although there are no direct signs of a concerted effort by Brierley and Goodman, the two companies "know each other well and have certainly received similar advice" on the Wattie situation.

Rise in interim earnings at pulp and paper group

BY OUR SYDNEY CORRESPONDENT

AUSTRALIAN Paper Manufacturers, has reported a 27 per cent incease in net profits for the six months to December 31, to A$34.6m (US$31.3) despite only a slight improvement in sales from A$539m to A$542m.

The main reason for better profits was an improved performance in the pulp and paper division, and in the company's international trading house, Brown and Dureau.

The interim dividend is unchanged at seven cents a share covered by earnings of 13.7 cents a share.

Tax was A$7.3m, against A$12.9m previously. There was an extraordinary loss of A$7.9m against one of A$4.8m previously.

● WEEKS AUSTRALIA, the successful oil exploration company plans to raise A$46m (US$41.4m) by a rights issue of one new share, at A$1.20, for every five held. Its parent, Weeks Petroleum, will be taking its entitlement of fractionally over 50 per cent of the new shares. Weeks Australia has a stake in the Jabiru oil find off Northern Australia, thought to contain in excess of 200m barrels of recoverable oil.

Investment group formed by Emirtel in the UAE

BY OUR ABU DHABI CORRESPONDENT

THE EMIRATES Telecommunications Corporation (Emirtel) has announced the formation of a new investment company with an authorised capital of US$1.3bn, to be called the Emirates Investment Corporation. Its paid-up capital will be $326m.

The announcement was made after an extra-ordinary general meeting of Emirtel's shareholders, who approved the new move. Emirtel is 60 per cent-owned by the UAE Government, the remainder being held by around 8,000 UAE private individuals. The new investment company will be divided on the same basis with existing shareholders having proportionate blocks of shares in both companies.

Emirtel is one of the most successful concerns in the Emirates, with a turnover in excess of $272m. Although local telephone calls are free, the income from overseas and inter-Emirates calls is high. Payphones alone earn over $12,000 each per month. The company recently announced a development budget for 1984 of $160m. Projects for the year include a ground station to be linked with a recently-launched Pan-Arab communications satellite, cables for the northern Emirates Teleco network, and a submarine cable linking the Emirates across the Gulf with Pakistan.

The new company is intended, initially at least, for investment inside the Emirates. It will invest in projects "of importance." These are understood to include, as a first step, locally-incorporated banks, insurance companies, and other such institutions, while later targets might include major industries within the country.

Japan may further relax CDs

TOKYO—The further easing of issue terms for yen certificates of deposit (CDs) may be the next Japanese step to liberalise capital markets.

At the start of the year the Japanese Finance Ministry agreed to allow Japanese banks and foreign banks in Japan to lower the minimum issue unit of CDs to Y300m ($1.28m) from Y500m.

The Bank of Japan feels that the figure should be reduced even further and such a move could come within this calendar year.

However, one problem will be the need to liberalise interest rates on large deposits at about the same time, so that CDs do not attract funds away from deposits.

Under the Japanese interest rate system, bank deposit rates are fixed by the Finance Ministry in line with the official discount rate decided by the Bank of Japan.

While the Bank is in favour of relaxing rates on large deposits, the Finance Ministry will have to approve and its endorsement may not be forthcoming.

The Finance Ministry is not entirely happy about relaxing deposit rates as this will prompt banks to demand higher rates on the national bonds they accumulate to finance government deficits.

Nevertheless the central bank feels that there will be relentless U.S. pressure during this year for more liberalisation of the capital markets.

● Foreign bond investment by Japanese Post Office Life Insurance and Pension Funds have increased sharply to Y193.6bn at end-December from Y6.3bn last May, according to the Ministry of Postal Services.

The jump followed the start of foreign bond purchases by the Life Insurance Fund last May in line with changes in the law on management of the Fund.

Total assets of the two funds were Y22.022bn at the end of November.

The investment is limited to 10 per cent of total assets and confined to bonds issued by foreign governments, state entities, and international institutions.

Meanwhile, foreign bond and stock investment by Japanese private life insurance firms rose by a net Y80.65bn last October to an outstanding balance of Y2,790bn, up 55 per cent from a year earlier, the Association of Japan Life Insurance Companies said.

The investment has been rising sharply in the past year attracted by high interest rates on U.S. dollar bonds.

On guidance from the Japanese Finance Ministry to avoid pressure on the yen, private insurers have been voluntarily limiting the investment to 10 to 20 per cent of the monthly increase in each insurer's assets.

Their total balance of investment was 7.45 per cent of total assets at the end of October against the 10 per cent limit by law, the Association said.

Agencies

EUROPE'S LARGEST COMPANY MAKES AN AMBITIOUS U.S. MOVE

Another piece in the Shell jigsaw

BY IAN HARGREAVES IN LONDON AND TERRY DODSWORTH AND PAUL TAYLOR IN NEW YORK

ROYAL Dutch/Shell's $5.2bn offer for 30 per cent of Shell Oil yesterday caused some mystification on Wall Street, but as a manoeuvre it is not really so different from earlier merger tussles in the industry.

The multinational group is, essentially, increasing its holdings of U.S. oil and gas properties, along with an efficient downstream machine, while also filling in a piece of the Shell corporate jigsaw.

That jigsaw is not really so much at variance with the rest of the industry as it may seem. Shell, like its competitors, has tried various diversifications, some moderately successful (like coal) and some unhappy (like atomic power). It is now spending a significant part of its cash mountain on the business it knows best, indeed on a company which it knows to be one of the strongest links in its own global chain.

The move, however, if only in terms of its cost, is certainly one of the most ambitious since the alliance struck in 1907 brought together Royal Dutch Petroleum Company and Shell Transport and Trading Company.

The idea was always to keep the groups separate in identity, so that today Royal Dutch (which controls 60 per cent of the group) and Shell TT (which controls the other 40 per cent) are traded separately on stock exchanges. The group's headquarters operations are divided between London and The Hague.

Lacking an identifiable centre at the headquarters level, Shell has always been the most decentralised of the major oil companies, allowing its operating companies to run at arm's length from headquarters activities known, significantly, as "service companies". Group companies handle about 8 per cent of the oil and gas consumed in the non-communist world.

Shell Oil, without question, is one of the group's most exciting assets. It is generally regarded within the U.S. industry as one of the best-managed companies in the sector.

Until 1981, Shell Oil's earnings had risen steadily, peaking at $1.7bn on sales of $21.6bn, while profits over the past two years have been under pressure, in common with the rest of the industry. Last year the company is thought to have earned around $1.5bn on sales of $19.8bn, compared with $1.58bn on sales of $20bn in 1982. But Wall Street is predicting a sharp profit upturn this year, with net earnings of between $1.7bn and $1.8bn on sales of $21bn.

As an integrated company, Shell Oil is present in a substantial way in most of the major sectors of the industry:

● Reserves: Shell Oil had net estimated liquid reserves totalling around 2.3bn barrels at the end of 1982, together with 7.548bn cu ft of gas. In terms of the major U.S. oil companies this ranks it about fifth.

The company has been very successful also at finding new reserves – using highly sophisticated computer techniques. Recent estimates suggest that over the past five years it has replenished its reserves more cheaply than other U.S. companies, at an average cost of $7.58 a barrel against $12.

In addition, the company is one of the most active exploration groups, at a time when many of the other U.S. majors have been cutting their budgets in this field.

This year, Shell Oil plans to increase capital expenditure by 10 per cent to almost $3bn, of which $2.2bn – a 7 per cent increase over last year – will be spent on exploration, drilling and leasing.

Geographically, Shell Oil's production wells are broadly spread across the U.S., while the thrust of its drilling is focused on offshore fields. Analysts in New York believe its strategy is to go for high-risk projects which would yield generous rewards.

● Refining: Shell Oil operates seven major refineries in the U.S., producing a full range of energy and chemical products. Analysts describe the refining operations as "extremely well balanced," like the rest of the company.

The refineries have a daily capacity of around 1bn barrels and have been operating at 85 per cent of potential output. They turn out a range of speciality and other chemical products, sales of which account for around 15 per cent of operating revenues, as well as petroleum products.

● Retailing: The company has recently been shaking up its nationwide network of petrol stations, concentrating on California, where it ranks first or second, and other major metropolitan markets.

In 1982, Shell Oil ranked second behind Amoco in the petrol market share in the U.S. with a total of 6.7 per cent.

Wall Street reaction to the bid was highly positive. While analysts were taken completely off balance, they saw no prospect of anti-trust opposition because Shell Oil is already a subsidiary of Shell Petroleum NV, and little chance of extended shareholder action.

The offer at $55 a share, which values the company at $17bn, is 8 per cent higher than the stock's 12-month high. According to some Wall Street estimates of the discounted value of Shell Oil reserves, the offer could represent about 80 per cent of that figure, substantially higher than the successful recent bids for Conoco and Marathon. It is also in line with the record-breaking $10.1bn Texaco bid for Getty, whose reserves are reckoned to be less valuable because they are mainly in heavy crudes.

One slight cloud over the proposed deal is an astonishing $1.9bn environmental clean-up suit filed by the U.S. Government against Shell Oil in December. Negotiations are continuing.

Nevertheless, analysts believe the deal will be a positive one for parent company shareholders as well as for local U.S. investors. These include the institutions which own about 30m Shell Oil shares, the company's employees, who control about 27m shares, and around 40,000 individual shareholders, who own 38m shares.

Bank of East Asia profit flat

By Robert Cottrell in Hong Kong

BANK OF EAST ASIA has reported near-static net profits of HK$138.38m (US$17.7m) for 1983, against the prior year's HK$135.02m. A final dividend of 40 cents make 65 cents for the year, against an adjusted total for 1982 of 59.1 cents.

The full-year result is in line with Bank of East Asia's flat interim result of HK$48.5m against HK$48.3m.

Banks in Hong Kong state net profits after unpublished transfers to inner reserves.

JAPANESE RESULTS

AIWA
AUDIO EQUIPMENT

Year to	Nov '83	Nov '82
	Y	Y
Revenues (bn)	66	62
Pre-tax profits (bn)	1.8	1.2
Net profits (m)	730	422
Net per share	16.67	9.64
Dividend	3.50	3.50

PARENT COMPANY

AKAI ELECTRIC
AUDIO EQUIPMENT

Year to	Nov '83	Nov '82
	Y	Y
Revenues (bn)	81	91
Pre-tax profits (bn)	1.4	1.4†
Net profits (bn)	2.0	6.2†
Dividend	—	—

PARENT COMPANY
†Loss

CLARION
CAR AUDIO EQUIPMENT

Year to	Sept '83	Sept '82
	Y	Y
Revenues (bn)	129	124
Pre-tax profits (bn)	3.6	7.0
Net profits (bn)	2.3†	2.2
Net per share	—	24.89

CONSOLIDATED
†Loss

ONO PHARMACEUTICAL
DRUGS

Year to	Nov '83	Nov '82
	Y	Y
Revenues (bn)	42	36
Pre-tax profits (bn)	11.6	8.7
Net profits (bn)	3.1	2.5
Net per share	89.01	82.38
Dividend	7.5	7.5

PARENT COMPANY

TEAC
AUDIO EQUIPMENT

Year to	Sept '83	Sept '82
	Y	Y
Revenues (bn)	53	42
Pre-tax profits (bn)	1.6	1.1†
Net profits (bn)	1.2	1.5†
Net per share	27.16	—

CONSOLIDATED
†Loss

TOKYO STEEL
ELECTRIC FURNACE STEELMAKER

Year to	Nov '83	Nov '82
	Y	Y
Revenues (bn)	150	148
Pre-tax profits (bn)	2.2	6.7
Net profits (bn)	2.5	4.2
Net per share	30.80	51.53
Dividend	5	5

PARENT COMPANY

TRIO KENWOOD
AUDIO EQUIPMENT

Six months to	Nov '83	Nov '82
	Y	Y
Revenues (bn)	42	35
Pre-tax profits (m)	385	518
Net profits (m)	215	253
Dividend	—	—

PARENT COMPANY

North American quarterly results

ACME-CLEVELAND

First quarter	1983-84	1982-83
	$	$
Revenue	—	—
Net profits	559.00	†3.6m
Net per share	—	—

† Loss

ARMCO

Fourth quarter	1983	1982
	$	$
Revenue	1.07bn	1.11bn
Net loss	46.8m	182.9m
Loss per share	0.73	2.85

BAXTER TRAVENOL

Fourth quarter	1983	1982
	$	$
Revenue	477.5m	446.2m
Net profits	58.3m	53.9m
Net per share	0.41	0.38

MARSH & McLENNAN

Fourth quarter	1983	1982
	$	$
Revenue	238.7m	219m
Net profits	28.14m	25.6m
Net per share	0.80	0.74
Year		
Revenue	988m	924.3m
Net profits	123.54m	120.41m
Net per share	3.49	3.36

NORFOLK SOUTHERN

Fourth quarter	1983	1982
	$	$
Revenue	815.7m	771.2m
Net profits	101.3m	88.0m
Net per share	1.61	1.40
Year		
Revenue	3.1bn	3.39bn
Net profits	356.6m	461.8m
Net per share	5.67	7.27

OCEAN DRILLING & EXPLORATION

Fourth quarter	1983	1982
	$	$
Revenue	178.3m	209.5m
Net profits	21.21m	47.1m
Net per share	0.41	0.91

Disappointing results for Gould in full year

BY OUR FINANCIAL STAFF

GOULD, the U.S. group which makes a wide variety of electronic system products and components, reports static earnings of $79.2m from continuing operations for 1983. But a loss from discontinued activities depressed the final net to $64.1m or $1.42 a share; in 1982 an income from discontinued operations boosted the net to $92.8m or $2.15 a share.

Sales from continuing operations increased to $1.32bn from $1.25bn.

Fourth-quarter earnings from continued operations showed a 22 per cent improvement, from $20.3m to $25.2m, or from 46 to 56 cents a share. A loss of $7.3m, against earnings of $8.1m a year earlier from discontinued operations, however, lowered the final net for the quarter from 1982's $28.4m, or 65 cents a share, to $17.9m or 40 cents a share.

Sales in the fourth quarter totalled $342.3m, an increase of some 10 per cent on 1982's corresponding $311.5m.

The group's electronic components and medical instrumentation operations registered strong gains in 1983, but these were offset by declines in mini-computer factory automation and test and measurement activities.

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CBI

Economic Policy and Analysis

As part of a reorganisation within the Economic Directorate, the Confederation of British Industry is seeking three Senior Economists for key positions. Each job will involve contacts with leading businessmen, officials in Government and academics in the development of CBI industrial and economic policy.

The first involves analysis of the current state of business, with particular responsibility for the CBI's Industrial Trends and Distributive Trades Surveys. The second post would require knowledge of monetary policy and public expenditure and the third would involve co-ordination of CBI input at NEDC discussions.

Candidates, preferably between 25-35, should have a post-graduate degree or experience of working on economic policy issues. Numeracy, ability to communicate clearly orally and in writing and a strong analytical ability are essential.

Salaries negotiable depending on qualifications and experience.

Comprehensive CVs to J L Clark, **Confederation of British Industry**, Centre Point, 103 New Oxford Street, London WC1A 1DU.

APPOINTMENTS AVERTISING appears every Thursday

INTERNATIONAL BANKING

MARKETING OFFICER, U.K. c. £15,000
Prominent City bank extends unhindered opportunity to a young banker with harnessed sound credit and marketing experience to an energetic and imaginative approach to business development.
We also seek someone with specialist exposure to the German market with, of course, fluency in the language.

SENIOR CREDIT ANALYST to £14,000
Responsibility is to control and develop an effective research and analysis section in support of the bank's lending team. This calls for a thoroughly trained and experienced Credit Analyst with additional skills in people management.

PORTFOLIO MANAGER c. £14,000
Major merchant bank seeks an experienced and personable young investment professional with a successful background (in a bank/stockbroker/investment institution), in the discretionary management of private clients' international portfolios.

ASSISTANT MANAGER, ACCOUNTING c. £12,500
Good all-round knowledge of international bank accounting is the essential requirement, with the fundamental task being to provide management with comprehensive reports on the bank's expanding range of activities internationally.

Please telephone John Chiverton or Ann Costello

JOHN CHIVERTON ASSOCIATES LTD.
5, Castle Court, London, E.C.3.
01-623 3861

GEOF FIELD
FX and MM personnel
37/39 EASTCHEAP EC3
TEL: 01-626 2931
Licence No. SE 7267

O & M Specialist
US$ Neg. Tax Free **Bermuda**

The Bank of Bermuda wish to recruit an O & M Specialist currently at Project Leader level to join an established Central Services Department which is heavily involved in the continuing assessment of new and existing systems.

The position will involve:-

* assisting in the training of staff.
* carrying out efficiency audits and O & M studies.
* completing special projects on behalf of management.
* assisting operational, EDP and Personnel Management in the re-assessment of work loads during and following the introduction of new systems.

The ideal candidate will be currently working for an International Bank or Financial Institution in an O & M computer services or Internal Audit Department. They will be educated to degree or equivalent level and will probably also have a recognised related professional qualification.

Roger Parker Organisation
4, London Wall Buildings, Blomfield Street, London EC2M 5NT.
01-588 8161 Telex 8811725 CITLON G.

Company Secretary

Company Secretary required for public international manufacturing group with annual turnover in excess of £130 million.

Duties include matters relating to pensions, insurances and property, general legal advice and administration of senior personnel benefits together with normal company secretarial functions.

Applications are invited from qualified chartered secretaries/lawyers in age range 35-50.

Location: Central London.

Please write with full career details to Confidential Reply Service, Ref. CSC 8909 Austin Knight Advertising Limited, London W1A 1DS.

Applications are forwarded to the client concerned, therefore companies in which you are not interested should be listed in a covering letter to the Confidential Reply Supervisor.

STOCKBROKING IN SOUTH-WEST ENGLAND

Vivian Gray has recently acquired a Branch Office in Truro and is planning to strengthen further its services to clients in the South-West.

At this stage, we require a young person with experience in portfolio management to work alongside our Resident Member, Mr. Martin Bishop.

Please write with details of your career to Kevin Wheeler, Vivian Gray & Co., Ling House, 10-13 Dominion Street, London EC2M 2UX.

CREDIT INSURANCE

Our Expanding Specialist Team now requires the following personnel to place particular emphasis on the Home Trade Credit Market.

Salesman
Based in the Midlands, the successful applicant will have a proven record for the development of Credit business.
A company car will be provided.

Senior Broker
Based at Kingston-upon-Thames the successful applicant will need a thorough working knowledge of Trade Indemnity Cover and previous broking experience in this industry.

Attractive salaries will be paid for both positions and fringe benefits include non-contributory pension scheme, and employee share scheme.

Please forward full Curriculum Vitae to:
J. Denholm, Credit Management Consultants Ltd,
3 Bridle Close, Kingston-upon-Thames, Surrey.

CREDIT MANAGEMENT CONSULTANTS LIMITED

J. Aron & Co. (UK) Ltd.,
a division of the Goldman Sachs Group
has vacancies for the following:

Senior Metals Dealer
Physical Coffee Trader

The Senior Metals Dealer must possess a good working knowledge of the London Bullion Market, a thorough knowledge of Futures Trading and should have at least five years practical trading experience. Ref. SMD/101

The Physical Coffee Trader must possess experience in the field of Coffee Dealing and Merchanting, a thorough knowledge of the Futures Market and their relationship to Physicals and some working relationships with European Roasting Companies. A knowledge of one or more Foreign Languages would be an advantage. Ref. PCT/201

Salary and benefits for both positions will be commensurate with experience and qualifications.

Candidates should apply with CV (quoting the appropriate reference) to

The Personnel Manager,
Goldman Sachs International Corp.
162 Queen Victoria Street,
London EC4V 4DB.
All applications will be treated in the strictest confidence

Goldman Sachs

International Appointments

KUWAIT
Internal Audit Management in Worldwide Oil Exploration

Accelerate your professional development by taking complete responsibility for internal audit throughout Kuwait Foreign Petroleum Exploration Co KSC.

A subsidiary of KPC, it has enjoyed outstanding success and considerable expansion since its incorporation almost three years ago. It has become a major participant and operator in worldwide oil and gas exploration and development with extensive and diversified interests located throughout the Middle East, Far East, Africa and Australia.

You will develop, operate and manage the complete internal audits, joint ventures and concessions. Frequent travel outside Kuwait will involve you in all of the company's activities and will give your scope of duties a wide dimension.

A fully qualified accountant, you have a minimum of 7 years' post qualification experience, at least 3 of which have been spent in the oil and gas industry. You have well developed written and oral communicative skills and, essentially, have a working knowledge of Arabic.

The tax free salary is highly competitive and a comprehensive range of married status expatriate benefits is included.

In complete confidence contact the company's adviser, John Diack at Cripps, Sears & Associates Ltd., (Personnel Consultants), 88/89 High Holborn, London WC1V 6LH. Telephone 01-404 5701.

Cripps, Sears

Corporate Review

Our client, a major US financial services group, wishes to strengthen the review departments in two of its principal European locations. Rapid expansion in recent years has increased the need for sophisticated departmental and systems controls. They therefore require qualified accountants to be based in two locations:

Holland — cDF70,000 + benefits

Supervising a small, but developing department, the successful applicant will oversee the audits of existing and proposed systems as well as undertaking one-off assignments when necessary. Given managerial ability and sound evaluative judgement, the company offers the possibility of moving on into line positions or allied finance roles. Suitable candidates will have at least 3 years auditing experience gained within a major accounting firm and preferably have some EDP systems exposure.

UK South Coast — to £15,000 + benefits

Working within a small professional team, any successful applicant will be responsible for the review of the various aspects of the company's UK and European operations. Travel will be limited, but overseas ad hoc projects must be expected.

Candidates will be aged 25–30 years and will have extensive audit and EDP systems experience.

Interested applicants should contact **Roger Tipple** or **Mark Brewer** on **01-242 0695** or write with full curriculum vitae to **Michael Page International, Sicilian House, Sicilian Avenue, London WC1A 2QH.** Any calls to the above consultants will be dealt with in the strictest confidence before approaching our client.

Michael Page Partnership
International Recruitment Consultants
London New York
Birmingham Manchester Leeds Glasgow

Financial & Accounting Management

Abu Dhabi to £21,000 tax-free + benefits

This leading trading group in Abu Dhabi, engaged in the petroleum services industry, seeks to reinforce its management team with two key new appointments. Both report to the Managing Director and arise from the continuing growth of the business and the need to improve administrative procedures and financial controls.

Financial Controller: £18,000–£21,000 tax-free

You will be responsible for the financial planning, accounting and performance monitoring of the Group's various business enterprises and joint ventures. You will also play a major role in strategic planning for the future, with particular emphasis on the development of commercial disciplines and financial procedures. A prime requirement is to participate in the overall running of the group and to make a positive contribution to its future growth and profitability through involvement in sales, marketing and general management. You could, therefore, also assume other duties outside the finance function from time to time.

You must be a professionally qualified accountant, aged 30 to 40, with several years' broad-based commercial accounting and industrial management experience and a keen and enterprising business attitude. Sound knowledge of computer-based systems is essential. Ref: R2934/FT.

Internal Auditor: £15,000–£18,000 tax-free

You will be responsible for the provision of an accountancy and audit service on a wide range of issues and problems. Specific tasks include:

* developing internal controls and procedures for data entry to ensure the functioning of proper security systems for the company's computer based systems;
* inspecting records, controls and procedures used to ensure the reliability of financial information and the verification of balances and source documents;
* producing regular management reports on the adequacy of the internal controls and the detection of inefficiencies and irregularities in the application of systems and methods.

Aged 30-35, you must be a professionally qualified accountant with several years' post-qualification experience gained within an international firm. You must demonstrate an ability to provide effective internal audit knowledge and wide-ranging sound financial advice to senior management, particularly in the areas detailed above. Sound knowledge of computer-based systems is essential. Ref: R2935/FT.

Excellent remuneration packages will be negotiated including free furnished accommodation, transport and other benefits.

Please send full cv, quoting the appropriate reference, which will be forwarded direct to our client unopened. (Address to our Security Manager if listing companies to which it should not be sent.)

PA Advertising

Hyde Park House, 60a Knightsbridge, London SWIX 7LE.
Tel: 01-235 6060 Telex: 27874

David Grove Associates

Bank Executive Recruitment
60 Cheapside London EC2V 6AX
Telephone 01-248 1858

PERSONNEL APPOINTMENTS

SAUDI ARABIA

A leading Saudi Banking Institution seeks two personnel specialists to undertake a two-year contract on a single person basis.

REMUNERATION SYSTEMS

An Officer grade person, AIB qualified, is sought with at least 10 years' banking experience. Main responsibilities will include job evaluation, operation of the Bank's Remuneration Systems and assistance in the determination of staff requirements in particular areas of the Bank. Salary is negotiable, with free accommodation and an excellent fringe benefit package.

MANPOWER PLANNING

An AIB qualified clerical officer is required with 8/10 years' Banking experience of which 4/5 years should be in Personnel. Main responsibilities will be to assist in determining manpower planning requirements, to assist with recruitment, computerised personnel record maintenance and training of local personnel staff. Salary and allowances will be 7,950 Riyal/month, free accommodation and an excellent fringe benefit package.

For further information please contact Bryan Sales on 01-248 1858 or by written application enclosing a current curriculum vitae.

Senior Internal Auditor

Banking — Oman

Our client is an established independent Arab bank offering both wholesale and retail banking services through its expanding network of branches throughout the Sultanate of Oman.

Arising from this growth, the directors have decided to strengthen and expand the internal audit function, which is responsible directly to the board.

An experienced and appropriately qualified accountant is now sought for the senior position in this team.

Responsibilities will include the establishment of new audit programmes to reflect new procedures and documentation, the conduct and review of financial and operational audits and reporting regularly to the board on findings and recommendations for improvements.

Applicants should be graduate qualified accountants, aged 26–40 with sound auditing experience including substantial exposure to computerised systems. Some experience in banking or other financial services operations, ideally in the Middle East, is highly desirable.

Remuneration will be in the region of $35,000 with benefits normally associated with an expatriate position.

Please send full personal and career details to Douglas G Mizon (Ref: FT124/M).

Ernst & Whinney Management Consultants
Becket House, 1 Lambeth Palace Road, London SE1 7EU

Swiss financial institution specialising in money management, international investments, precious metals and foreign exchange is looking for a

REPRESENTATIVE IN LONDON

to service its existing clients and recruit new clients in the UK. A well established individual or a corporation well versed in the financial service field would be suitable for this position.

Personal interviews possible in London in middle of March 1984.

Please write to: Mediamix SA, Postbox 149 CH-1010 Lausanne (Chiffre) 8-557

International Audit
A unique opportunity

North West — c.£16,000 + car + bens.

Our client, a major US multi-national oil company, seeks a dynamic young accountant to join the European Headquarters of its international audit team, based in Manchester.

The position will entail responsibility for conducting management/systems audits at the company's manufacturing subsidiaries on a world-wide basis, reporting to a US based manager. Subsidiary locations include, primarily, England, Germany, Mexico and Brazil. A degree of linguistic ability is therefore essential, language training will be provided as necessary. A travel content of up to 75% is envisaged.

The successful candidate will be a qualified accountant with 3-6 years of public and/or internal audit experience, a high degree of self-motivation, capable of making an impact at senior level within a major company.

Comprehensive relocation facilities are available and interested applicants should contact Alan Dickinson, quoting ref. 5420 at Faulkner House, Faulkner Street, Manchester M1 4DY (tel: 061-228 0396).

Michael Page Partnership
International Recruitment Consultants
London New York
Birmingham Manchester Leeds Glasgow

COMMODITIES TRADING MANAGER

A young, but fast expanding company with its headquarters in Central Europe wishes to appoint a Commodities Trading Manager in the age group 30-45 years.

The person appointed should be highly motivated and have a successful track record. He will be required to establish the company's commodities division and control it from the Group's headquarters. Fluent written and spoken English is essential and a second language would be an asset.

Besides using his own expertise for product sourcing and creating opportunities, he will also be able to utilise the existing and extensive contracts of the group.

A good salary is offered together with a company car and exceptional working conditions.

Please write in confidence to: Box A8458, Financial Times 10 Cannon Street, London EC4P 4BY

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BACHE SECURITIES (MONACO) INC.

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BACHE SECURITIES (MONACO) INC.
SPORTING D'HIVER
MONTE CARLO, MONACO
TEL: (93) 50.71.71

Senior Corporate Finance Manager
Kuala Lumpur

A joint venture merchant bank in Kuala Lumpur with strong local partners seeks an experienced Malaysian corporate finance professional who wishes to return to Malaysia, and develop further his skills and career. The successful candidate will manage a department of five executives and will have a sound base of current business on which to build.

The requirements are:

- a first degree, for strong preference, combined with an appropriate professional qualification;
- a minimum of five years' practical experience across a broad range of corporate finance transactions, ideally including new-issue work;
- proven man-management skills or clear potential for leading and motivating a team.

Salary is unlikely to be a limiting factor for this key appointment.

Write with full cv, which will be forwarded to our client unopened. (Address to our Security Manager if listing companies to which it should not be sent.) Ref: R2932/FT.

PA Advertising

Hyde Park House, 60a Knightsbridge, London SWIX 7LE.
Tel: 01-235 6060 Telex: 27874

APPOINTMENTS WANTED

COMMODITIES PROFESSIONAL

with successful trading record and experience of all futures markets, full technical, research capacity, etc., seeks position with progressive individual on private basis. Offers total commitment, accountability. Requests autonomy and profit share. Flexible. Ultimate equity participation desired. Genuine offers only, in confidence. Write Box A 8412, Financial Times, 10, Cannon Street, London EC4P 4BY.

REAL ESTATE — HOTEL BUSINESS

39-year-old Belgian economist with excellent international record in management, financial accounts and marketing (Africa and M. East) seeks interesting and rewarding position. Preferably overseas or frequent travel. *Please write Box A8480, Financial Times, 10 Cannon Street, EC4P 4BY.*

Univ. established Italian Orientalist, 29, with Amer., Germ., Egypt. experience

SEEKS JOB OPPORTUNITIES

involving linguistic and cultural knowledge of the Near East. Fluency in German, French, English, good knowledge of Arabic. Write to: Casella 32/C SPI 10100 TORINO (Italy)

TRADE EXPERT — CHINA & FAR EAST

Respected Chinese businessman with important and valuable contacts seeks opportunity to use his expertise in trading with China and Hongkong. Knowledge and experience is backed by up-to-date market information and determination to succeed. Would be pleased to develop your business. Please phone 01-951 5806 or write Box A 8457, Financial Times, 10 Cannon Street, London EC4P 4BY.

NIGERIA

Large Nigerian-European Group in Food Processing Industry and Distribution

is looking for its

GENERAL MANAGER

Experience at general management level in Nigeria is a must

Applications should be sent to:
Carré, Orban & Partners, 40 Allen Avenue, PMB 21489, Ikeja, Lagos
Box A8463, Financial Times, 10 Cannon Street, London EC4P 4BY
Carré, Orban & Partners
International Management Consultants
Brussels, Düsseldorf, Geneva, Ligonier, London, Milan, New York, Paris, Zürich

International Appointments

Top International Bankers

A respected and well-established international bank, headquartered in an attractive part of the United Arab Emirates, is planning further expansion of its network and is inviting applications for the following positions:

International Executives

Two senior International Commercial Bankers are sought, one to manage the development and marketing of advance specialist products in the contractors, trade and private banking area (Ref: A9005/1), and the other to manage the expansion and integration of the existing global commercial banking network (Ref: A9005/2).

Area Manager — UAE

A significant position managing a UAE area network is available for a Commercial Banker with a successful management record gained in a sophisticated international bank in the Middle East or Asian markets (Ref: A9005/3).

Two Credit Officers

Are required for Area (Ref: A9005/4) and Branch (Ref: A9005/5) positions. Banking qualifications and 3-6 years specialised credit experience in retail or wholesale commercial banking sectors will be looked for.

All positions require a complete command of the English language. Free housing and other benefits are provided. Interviews will be arranged in London and other centres.

Write with full personal, career and salary details to the address below, quoting the appropriate reference number. Your application will be forwarded to the client unopened, unless marked for the attention of our Security Manager with a note of companies to which it should not be sent.

PA Advertising

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874

INTERNATIONAL FINANCIAL CONSULTANTS

Blue Chip Appointments

There are large numbers of British and other ex-patriates living throughout the world, earning substantial salaries and needing skilled advice in order to maximise their long-term financial benefits.

We are in business to help them and have achieved substantial investment growth over the past year for our clients.

As a consequence, there is an increasing demand for our services, so that we must now appoint further Consultants.

The sort of people we are seeking are likely to have had a professional background in which they have achieved considerable success. However, what is certain is that they will have a natural self-confidence and discipline.

Experience of handling financial negotiations at a senior level, preferably with an overseas involvement may be an advantage but is not essential. A second language would, of course, also be an asset.

Our HQ is in Amsterdam but your working location would be where the market is.

We deal in high value services which can produce an equivalent return for the Consultants who manage and deal in them, making this a true Blue Chip appointment.

So if you think we may be speaking your language, please write enclosing a CV or full career details, in the first instance, quoting Ref: 250FT, to: F. R. Wilcockson, Director, Whites Bull Holmes Ltd., 63-66 St. Martin's Lane, London WC2.

FINEXCO

INTERNATIONAL APPOINTMENTS

appears

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Rate £34.50 per Single Column centimetre

AUDITORS

Oil Industry **Libya**

(Tax-Protected Salaries)

Our client is a leading company in the Libyan oil industry and requires the following specialist personnel:

Staff Auditor

c. £25,000 Job Ref: ML/10

The appointee will assist in and perform audits of a financial and operational nature to safeguard company assets, to determine the extent to which agreed policies and procedures are being followed and he will be able to suggest improvements to internal finance controls and promote operational efficiency.

A college degree in Accounting is essential with a CPA desirable. It is necessary to have a thorough knowledge of auditing practices with three or four years spent in a leading firm of Accountants or with Internal Audit in industry.

Auditor

c. £20,000 Job Ref: ML/11

You will participate in the phases of internal audit programs and deal with all aspects of accounting and finance controls. You will be required to appraise and report on the soundness, adequacy and application of all financial control practices.

Both successful applicants will have the ability to write clear reports in English and will be required to train National staff. Physical fitness is important as about one month per year will be spent in desert locations.

A university degree is required with a major in accounting with a CA or CPA desirable.

BENEFITS

★ Single or married status ★ 35 days annual leave with paid air fares ★ Furnished accommodation ★ Medical and educational facilities ★ 90 % of salary is remissable outside Libya

Please write or telephone for an obligatory application form, quoting job reference number. Irrelevant applications will not be answered.

JAWABY OIL SERVICE

UMM AL-JAWABY OIL SERVICE CO. LTD.,

Recruitment Co-ordinator, Job Ref........, 33 Cavendish Square, London W1M 9HF. Telephone 01-4990855

International Banking Consultants

Jonathan Wren International Ltd 01-623 1266

170 Bishopsgate, London, EC2M 4LX

ECONOMISTS — LIBRARIAN BAHRAIN BASED

Our client, a premier Arab bank, is seeking to expand its existing Economics Department by the undermentioned appointments at its Head Office in Bahrain. The department advises the Chief Executive and senior management on a wide range of economic and political developments.

ECONOMIST — MIDDLE EAST

Candidates should be aged 25-35, possess a B.A. in Economics or M.A. in Middle East Studies and be able to demonstrate at least 5 years experience in country risk or Middle East research, preferably gained within a banking environment.

The main responsibilities will be to work within the country assessment unit with reference to Arab countries, carry out research and maintain files of an economic and financial nature on the Arab states. Extensive travel is envisaged. Versatility together with highly developed communicative skills are essential. Mother tongue Arabic required.

ECONOMIST — FAR EAST

Candidates should again be aged 25-35, have gained a B.A. in Economics or M.A. in Far East Studies and possess at least 5 years experience in country assessment of the Far East, preferably gained within a banking environment.

The main duties will be to help set up a country assessment unit, write country reports mainly on the Far East but also on other areas. In addition, the successful applicant will be expected to maintain and monitor country files and to contribute to other bank projects of an economic nature. Some travel is envisaged. Knowledge of a Far Eastern or second European language would be an advantage.

BUSINESS LIBRARIAN/INFORMATION OFFICER

Candidates should be aged 25-35, possess a special degree in Business Library Science and have gained five years experience as a business librarian, preferably within a bank and including some experience of computerised information and data processing.

The prime responsibilities will be to design and implement a rational cross-indexed cataloguing system for the library, supervise new acquisitions, build up country files, and plan the evolution of the library system for internal bank use. Knowledge of a second European language and/or Arabic would be an advantage.

Salaries for these positions are excellent and tax free. Additional benefits will include an accommodation allowance and return air fares.

Please send a full curriculum vitae in confidence to ROY WEBB, Managing Director.

صندوق النقد العربي

يعلن صندوق النقد العربي ـ ومقره أبوظبي ، الامارات العربية المتحدة ـ عن رغبته في تعيين موظف لشغل الوظيفة التالية :

م	مسمى الوظيفة	المؤهلات والخبرة
1	محاسب	شهادة جامعية تخصص محاسبة وادارة أعمال مع خبرة لاتقل عن 7 سنوات ، أو مؤهل مهني من معهد معترف به مع خبرة لاتقل عن 3 سنوات . اجادة اللغتين العربية والانجليزية .

* الراتب : يحدد حسب المؤهلات والخبرة .
* مزايا أخرى : سكن ، أثاث ، بطاقات سفر الى بلد الجنسية ، تأمين طبي وتأمين على الحياة .

تقدم الطلبات خلال أسبوعين من تاريخ نشر هذا الاعلان ، باسم " رئيس الدائرة الادارية " ص . ب : 2818 أبوظبي ـ الامارات العربية المتحدة .

ACCOUNTANCY APPOINTMENTS

FINANCIAL CONTROLLER

Essex **c £17,500 + car**

Our client is the U.K. subsidiary of a large German group which operates world-wide. The U.K. business, of quite recent origin, has built up a sizeable share of the freight forwarding market, specialising in European, air and ocean forwarding with an emphasis on groupage; it is based in Essex with six branches around the country.

The financial controller will be a vital member of the small, youthful and enthusiastic management team, and will be responsible to the managing director for improving financial management and control, developing systems on a Wang computer, and participating fully in commercial decision-making.

Candidates, who must be qualified and should preferably be in their thirties, should have a positive and committed attitude; a knowledge of German and of freight forwarding would be a decided advantage. The salary is negotiable around £17,500 p.a. plus car, BUPA and pension.

Applicants should write in confidence giving full details of previous experience and current salary, and quoting reference H 1999, to John Hills at:

Hodgson Harris Associates,
Management Consultants,
40/43 Chancery Lane,
London, WC2A 1JJ.

A.I.M.

CHIEF ACCOUNTANT

c. £15,000 + bonus + car **S. E. England**

This is rare opportunity to join Stormont Group, Europe's largest independent Ford distributors. Turnover £100m, the present success of the business owes much to its lively and creative senior management and tight financial control. Following the introduction of new systems there is now a vacancy for an experienced retail motor trade Chief Accountant. This position reports to the Group Financial Controller.

Your responsibilities will include the full range of financial activities from the preparation and coordination of budgets, daily, monthly and annual operating accounts and interpretation with senior management on a regular basis. Experience of software application as it relates to this business will be a helpful attribute and a recognized financial qualification mandatory.

Ideally aged 28-35, the successful applicant is expected to be an active member of the management team and in the commercial decision making process.

Initial remuneration is C. £15,000 plus performance related bonus, with company car and excellent package. Relocation assistance will be available if required to the Tunbridge Wells area.

Applicants (M/F) should write enclosing brief CV, or tel: STD 0753 888092 (24 hrs), quoting ref: A245 in confidence to:

Brian Smith Associates

9A Station Road, Gerrards Cross, Bucks SL9 8ES

Financial Controller/ Company Secretary

BARBADOS

A major multi-national Telecommunications Group requires a Financial Controller/Company Secretary for its Barbados subsidiary. Reporting to the General Manager and working closely with the other members of the senior management team the Financial Controller will be responsible for the overall finance function including the development and implementation of new accounting procedures and ensuring that the Group's reporting requirements are met.

Candidates must be Barbados citizens or possess the right of residence in Barbados. A fully qualified accountant is sought, age 35-45 with appropriate commercial or industrial experience. Knowledge of telecommunications accounting would be an advantage but is not essential.

An attractive remuneration package including a company car is on offer for the right applicant.

Please write with full details, quoting ref 257, to Terry Fuller,

DEANSGATE
MANAGEMENT SERVICES,
52 Bedford Row, London WC1R 4LX.
Telephone: 01-405 1220

Banking: business development in Europe

London base **Salaries up to $60,000**

Our client is a major international bank with a worldwide network in retail banking and trade-related finance.

As part of a major marketing initiative, several banking professionals are now required to develop, throughout the whole worldwide network, business related to one individual European country. Initially business related to Italy and France will be developed, but applications are also welcome from those with relevant banking experience of other European countries — especially in the EEC.

Applicants must have a first-hand understanding of the language and culture of Italy or France, or another European country, and possess complete fluency in English. All positions are based in London.

Please write to Michael J. B. Ping, enclosing a detailed CV, quoting reference F/994/P and indicating clearly the country of interest.

E&W

Ernst & Whinney Management Consultants
Becket House, 1 Lambeth Palace Road, London SE1 7EU.

UNIVERSITY OF WARWICK

LECTURESHIP IN ACCOUNTING AND FINANCE

Applications are invited for a temporary 10-month Lectureship in Accounting and Finance in the School of Industrial and Business Studies. The post is tenable from 1st October, 1984.

The successful candidate will probably have teaching and research interests in the fields of public sector accounting and finance, or corporate treasureship, or financial information systems; but other primary areas of interest will be considered. Candidates must be graduates in accounting and finance, industrial and financial economics, business studies or other relevant discipline. Some business or public service experience would be desirable as would the possession of a professional accounting qualification. Salary on the Lecturer scale: £7,190-£14.125 pa.

Application forms and further particulars from the Registrar, University of Warwick, Coventry CV4 7AL, quoting Ref. No. 25/A/84/M. Closing date for receipt of applications 24th February 1984.

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Accountancy Appointments

Accountancy Appointments

Principal Auditor
Head Office Audit
c.£14,000
plus subsidised mortgage facility

This vacancy is for the leader of Abbey National's Head Office Audit team. It is seen as a demanding and rewarding job in its own right, but has the added advantage of providing a genuine career development opportunity within a progressive and dynamic organisation.

We are seeking a qualified accountant with substantial relevant post-qualification experience and a sound knowledge of data processing to fill the vacancy.

The post holder will be responsible for the management of a staff of thirteen, the majority of whom are professionally qualified. He or she will also be expected to play a full part in the management of the Audit Division.

The Head Office Audit team is responsible for auditing all of the Society's activities controlled from Head Office, including treasury and accounting functions, marketing, housing, construction, customer service, personnel, data processing and other activities. The team works to IIA professional standards in accordance with an annually determined Audit Plan. The Principal Auditor reports to the Manager, Audit Inspectorate who also controls the Branch Inspectorate.

The post will be based in Milton Keynes from mid-1985.

Benefits include Pension Scheme, BUPA membership and a subsidised mortgage facility.

For Application Form and Job Description please apply to:—
Mrs B. Miles, Personnel Department,
Abbey National
Building Society,
United Kingdom House,
180 Oxford Street,
London W1N 0AN.
Tel: 01-486 5555 ext. 3173.

ABBEY NATIONAL BUILDING SOCIETY

Closing date for receipt of completed application forms is 17 February 1984.

BSC Pension Fund

Investment Accountant
Victoria C£14,000

British Steel Pension Fund is seeking a qualified accountant (preferably ACCA or ACA) to take charge of accounting for assets exceeding £2,000 million, including a major property portfolio.

Key responsibilities will be:
- Financial Accounting and Control
- Accounting systems
- Annual Accounts and Performance Reporting

within the framework of a computerised accounting system on which further development is envisaged.

Candidates must have sound practical accounting experience, together with the ability to communicate effectively with the Fund's many contacts. Preference will be given to candidates with knowledge of investment or property accounting, and experience of computer-based accounting systems is highly desirable.

Please send full c.v. or write for an application form to:
Mr P. E. Oldham
Manager, Pensions Investments
BSC Pension Fund
3rd Floor
Radstock House
5 Eccleston Street
LONDON
SW1W 9LX

Financial Director
Salary c. £18,500

Due to internal promotion, Walter Lawrence Construction Limited wish to appoint a Financial Director to be based at their Hertfordshire office.

The Financial Director will be responsible to the Chief Executive for the financial control of Walter Lawrence Construction Limited and its operating divisions. Candidates should be qualified accountants with experience in the construction industry at a senior level. The ideal age would be between 35 and 45.

Salary is negotiable at c. £18,500 together with an executive car and other benefits including non-contributory pension scheme and private medical insurance. A service contract will be offered to the successful candidate after a suitable period of satisfactory service. Relocation expenses will be considered, where appropriate.

Please write in the first instance enclosing full cv to:

T. J. C. Mawby, Esq, Financial Director
WALTER LAWRENCE PLC
Lawrence House, Sun Street
Sawbridgeworth, Herts CM21 9LX

Walter LAWRENCE

GOC are a small expanding company with nine U.K. Depots distributing and manufacturing products to customers in the Hydraulics, Petrochemicals and Offshore Industries. Turnover is presently £5m and expanding. This expansion makes it necessary to make a new appointment.

CHIEF ACCOUNTANT
Manager of Administration
at £15,000-20,000 + Car
(Financial Director Designate)

To take responsibility for all accounting functions and of both existing and projected business systems and to move towards full computerisation of accounting and operational systems.
The successful applicant will:—
(1) Have an accounting qualification.
(2) Be fully conversant with modern computerised and other business systems.
(3) Have a sound business sense.

Candidates should write with cv to:
H. H. Stokes
GOC LIMITED
Blackwater Way, Aldershot
Hampshire GU12 4DS

Manager International Audit
Home Counties
c.£25,000 + and benefits

A major US multinational group wishes to appoint a senior manager for the internal audit of their UK operation and several overseas subsidiaries.

The responsibility will be to establish the department's objectives and develop a comprehensive programme of audit coverage for this part of the group's activities.

Candidates should be chartered accountants and may have an additional business qualification.

They will have substantial audit management experience with either a major company or international accounting firm. Personal qualities must include initiative, and a willingness to travel. Fluency in French or German would be an advantage.

An excellent remuneration package will be negotiated. Prospects include the strong possibility of promotion to a senior line role after 3 years.

Please write in strict confidence, enclosing full career details and quoting reference 4650/L, to Christopher S. Baimon, Peat Marwick Mitchell & Co., Executive Selection Division, 165 Queen Victoria Street, Blackfriars, London EC4V 3PD.

PEAT MARWICK

Imperial Chemical Industries PLC
Agricultural Division

ACCOUNTANTS

The Agricultural Division of ICI wishes to recruit high calibre graduate qualified accountants who will be under 30 years of age.

Candidates should have the ability to benefit from a wide range of experience, including the examination of business strategies, investment appraisal, budgeting and forecasting. The successful candidates will have the potential to make a positive contribution at an early stage and to progress to more senior posts. There could be movement to other Divisions in the UK or overseas.

The Company offers competitive salaries, Profit Sharing and contributory Pension Schemes. Financial assistance towards removal expenses and house purchase is available for home owners.

Applicants should write giving age, qualifications and brief details of experience to:

Mr J Hambly, Personnel Department
Imperial Chemical Industries PLC
Agricultural Division, PO Box 1
Billingham, Cleveland TS23 1LB

ICI

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ema

Head of Accounting
London c. £16,000+Major Benefits

Our client, Morgan Guaranty Ltd., is a wholly owned subsidiary of Morgan Guaranty Trust Company of New York and is the focal point of Morgan's activities in the Eurobond market and Eurocurrency private placements.

Reporting to the Comptroller, the Accountant will assume responsibility for the complete accounting function, supervising 10 staff, with broader involvement in financial analysis and planning. The environment is a particularly complex one and a range of ad hoc problems covering tax reporting and accounting form an integral part of the role. There is also considerable contact with banking and trading areas.

The benefits offered include a mortgage subsidy scheme and an annual *profit* sharing bonus.

In their *late 20's*, applicants *(male or female) should be qualified* accountants from the profession or commerce with, *at a minimum*, bank audit experience. Please telephone or write to David Hogg FCA, quoting reference I/2195.

EMA Management Personnel Ltd.
Halton House, 20/23 Holborn, London EC1N 2JD
Telephone: 01-242 7773 (24 hour)

Finance Director
Wiltshire c£18,000 + car

Controlling distribution outlets with a turnover in excess of £20 million, our client is a major trading subsidiary of a large British group.

Candidates, unlikely to be aged under thirty, should be qualified Accountants with relevant computer systems experience. Good commercial awareness is important, in order to make an effective contribution as part of a small management team, in close liaison with the Managing Director.

This position includes full responsibility for the accounting and DP functions and will involve you in the further development of the existing computer reporting system.

An attractive salary package includes a divisional profit share scheme related to performance. Relocation will be considered.

Candidates should write to Nigel Hopkins, FCA, enclosing a comprehensive curriculum vitae, quoting ref 977 at PO Box 143, 31 Southampton Row, London WC1B 5HY.

MP
Michael Page Partnership
International Recruitment Consultants
London New York
Birmingham Manchester Leeds Glasgow

Financial Controller
BANKING

This is the senior financial appointment in the Management Services division of one of the leading banking groups in the UK.

- RESPONSIBILITY is for exercising cost control, and maintaining effective financial and management information systems and forecasts.

- THE REQUIREMENT is for a qualified accountant with a record of success in a sizeable organisation using advanced management controls and systems.

- PREFERRED AGE 40-45. Remuneration £33,000 plus attractive banking sector fringe benefits.

Write in complete confidence
to A. Longland as adviser to the bank.

TYZACK & PARTNERS LTD
SEARCH & SELECTION
10 HALLAM STREET · LONDON W1N 6DJ

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c. £18,000 + Car
Chief Accountant

Are you:
- A qualified Accountant preferably with a degree
- Experienced in accounting for a multinational group using up-to-date computer techniques
- Aged 30+ and a proven manager
- Willing to work hard and do whatever it takes to produce detailed management reports to tight deadlines
- Full of drive, eager and able to prise responsibilities away from your boss
- Anxious to contribute to an exciting, professional environment

Then your new opportunity is with CACI, a publicly owned multinational, consulting, research and analysis corporation.

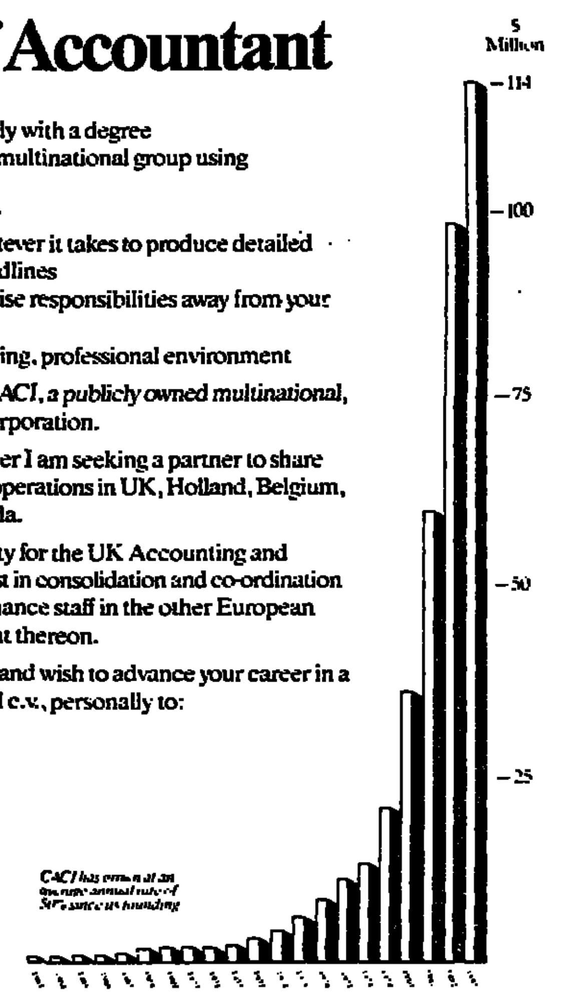
As the European Financial Controller I am seeking a partner to share the responsibility of accounting for operations in UK, Holland, Belgium, Germany, Eire, Sweden and Bermuda.

You will have particular responsibility for the UK Accounting and Administration procedures, and assist in consolidation and co-ordination of accounts and data provided by finance staff in the other European offices and reporting to management thereon.

If you meet the above requirements and wish to advance your career in a fast moving company write, with full c.v., personally to:

R. G. Norey FCA, Vice President
Oriel House,
26 The Quadrant,
Richmond, Surrey.

C.A.C.I.



Financial Controller
With boardroom potential

An expanding Lloyds reinsurance broker, with an extensive London market and worldwide account generating brokerage income exceeding £25m, has created a role for an ambitious chartered accountant who is seeking genuine career progression.

Reporting to the Board, the position has responsibility for the management of financial accounting, for the U.K. and overseas offices, together with all aspects of technical reinsurance accounts.

The successful candidate, preferably aged 35-45, will have a proven career record which demonstrates leadership, flexibility and vision.

The remuneration package will attract those whose earnings currently exceed £22,500 and it is expected that the successful candidate will take an early board appointment.

Please send a detailed c.v. to Confidential Reply Service, Ref: ACF 8071, Austin Knight Advertising UK Limited, Nelson House, 23-27 Moulsham Street, Chelmsford, CM2 0XG.

Applications are forwarded to the client concerned, therefore companies in which you are not interested should be listed in a covering letter.

Austin Knight Advertising

ACCOUNTANCY APPOINTMENTS
APPEAR EVERY THURSDAY

Accountancy Appointments

Outstanding Young ACA

Public Leisure Group

to £15,000 + excellent package.

A publicly quoted group with diverse interests in the leisure sector wishes to make a new appointment at its small London based head office.

The requirement is for an adaptable Chartered Accountant with 1-2 years post qualification experience. The appointee will undertake a broad range of projects including acquisition investigations, trouble-shooting within subsidiaries, and assisting in the formulation of future corporate objectives and development.

This is not a routine role and will appeal only to those who wish to develop their commercial skills in a dynamic and informal environment.

Salary is negotiable and fringe benefits include a car, medical cover, pension and Permanent Health Insurance.

Please write in confidence, enclosing career details and quoting reference 4871/L to N. P. Halsey, Peat Marwick Mitchell & Co., Executive Selection Division, 165 Queen Victoria St., Blackfriars, London EC4V 3PD.

PEAT MARWICK

Finance and Administration Manager

Commodities

London **c. £24,000 + bonus**

Our client is the largest physical trading and broking subsidiary of an American company which has a network of offices and production facilities worldwide and membership of most international exchanges.

Business expansion and promotions have resulted in the need to make this appointment which is the senior financial position below board level. Responsibilities encompass all aspects of accounting and financial control, computer systems management and overall office administration.

There are excellent prospects for involvement in business development and general management.

Applicants should be qualified accountants, aged 28-35, with sound accounting and financial reporting experience in a dynamic financial services environment, ideally commodities, but certainly involving substantial treasury and foreign exchange aspects.

Please address brief personal and career details to Douglas G Mizon (Ref: FT/204/M) at:

E&W Ernst & Whinney Management Consultants
Becket House, 1 Lambeth Palace Road, London SE1 7EU.

Group Accountant

Insurance Industry

Central London ***c £22,000+car***

Our client, a successful and expanding diversified insurance company, wishes to appoint a Group Accountant to take responsibility for the management and control of the activities of their Accounts Department.

The successful candidate will have charge of around 50 staff including 5 qualified accountants and will have a principal accountability to ensure that accounting routines are carried out in a thorough and timely manner. In addition, the jobholder will be expected to participate in the continuing computerisation of accounting activities, including management information systems. The preparation of accounts for the group, statutory and taxation returns, including VAT, will also be the responsibilities of the Group Accountant.

Candidates ideally aged in their early forties, should be Chartered Accountants and have experience in the insurance industry at a senior level. In addition experience must include responsibility for a significant number of staff and direct involvement in the development and implementation of computerised accounting systems.

In addition to a salary, which is negotiable around the indicator shown, and a company car, the successful candidate will receive an attractive benefits package, commensurate with the importance of this challenging position.

Please apply, in confidence, with full details of your career to date to A. Hunt, Executive Selection Division, Southwark Towers, 32 London Bridge Street, London SE1 9SY. Please quote reference MCS/6001.

Price Waterhouse Associates

Hoggett Bowers

Executive Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

Financial Director

North London, £27,000 + car

This UK based, £50m turnover, private limited company is engaged in volume production of precision items on four sites, plus light engineering fabrication. There is a healthy export business with subsidiaries in a dozen countries. After a period of consolidation and re-organisation, the company has a bright future in a very competitive field in which they are world leaders. Candidates must be FCA, aged over 35, with industrial experience at full plc level in a volume manufacturing, professionally managed engineering company. This is a demanding position requiring a strong personality and high leadership skills.

J.H.E. Davies, Ref: 37337/FT. Male or female candidates should telephone in confidence for a Personal History Form 0222-700633, 3A Hickman Road, Penarth, CARDIFF, South Glamorgan, CF6 2AJ.

MAJOR U.S. REGIONAL BANK

INTERNAL AUDIT **Salary from £12,000**

Superb opportunity to join a dynamic expanding organisation in the London Branch Office.
Applicants will be young, enthusiastic, newly-qualified ACAs and coming from a large professional firm having had Bank Audit experience.
We offer a generous benefits package inclusive of annual bonus and mortgage subsidy.
Résumés, including a daytime telephone number, to:—
Pru Tyler
RepublicBank Dallas, N.A.
51, Gracechurch Street, London EC3V 0BD

PRL Financial Appointments

FINANCIAL DIRECTOR DESIGNATE
Middlesex **c£14,000 + car**
Only candidates with good general management potential will be considered by our client, an expanding industrial organisation. Aged 25-35, you will have a sound track record in the profession or commerce and initially be responsible for management reporting, consolidations and ad hoc projects. Early promotion to a financial directorship is envisaged for the successful applicant. Call Ian Gascoigne MA — Ref: 7467

DIVISIONAL ACCOUNTANT — HI TECH
C. London **to £14,000**
Our client, a market leader in specialist computer software, seeks a young ACA/ACCA for their expanding finance team. You will already have gained at least 2 years post qualification experience in a financial accounting environment. Reporting to (and at times deputising for) the Financial Controller, you will manage the central accounts department, prepare monthly financial and management accounts, budgets etc. Excellent career prospects. Call Alastair Primrose ACIS — Ref: 7455

ACA NEWLY QUALIFIED or FINALIST
Kent/London borders **to £12,000 + Bonus**
Two newly created roles at Divisional and Group Head Offices of a major British Group actively seeking to expand activity in both UK and International markets. Both appointments are seen as ideal first moves into industry and will offer real prospects of career advancement.
Call Robert Miles — Ref: 7292/3

OPERATIONAL AUDITORS
London SW1 **to £13,000**
These appointments offer career development within one of the UK's truly international groups enjoying a superb reputation. The audit role will entail travel within Europe, a second language familiarity will be an advantage and will provide a very broad based involvement before promotion usually at a maximum of two years to a subsidiary, divisional or group finance appointment. Excellent prospects for a first class graduate from a major international firm. Call Robert Miles — Ref: 7350

H.O. ACCOUNTANT
C. London **c£13,500**
Our client, a £150 million T/O subsidiary of a British multinational, seeks a young ACA to work in a small high calibre team. You will gain experience of financial and management accounting, tax, treasury etc. — An ideal first move for someone leaving the profession. Excellent communicative skills and personal presence are essential. Career prospects are excellent with moves either into senior line management (H.O. or operating subsidiary) or into commercial management. Call Alastair Primrose ACIS — Ref: 7409

FINANCIAL PLANNING
Middlesex **c£16,000**
A well-established and successful high-technology company is looking for an ambitious young ACMA/ACCA to advise management on commercial matters related to high-value contracts. Candidates should have experience in a fast-moving manufacturing environment and have the inter-personal skills to operate at senior management level.
Call Jane Woodward BA — Ref: 7424

Personnel Resources Limited
75 GRAYS INN ROAD, LONDON WC1X 8US 01 242 6321
LEADING SPECIALISTS IN FINANCIAL APPOINTMENTS

RH ACCOUNTANCY ACCOUNTANCY ACCOUNTANCY

EUROPEAN TAX **c£20,000+Car**

A leading U.S. computer company is currently building a European Tax Department in the U.K. The company seeks a Tax Planning Specialist to join a high-calibre team closely involved in corporate reorganisations, financing plans and transfer pricing issues. The successful candidate will enjoy a flexible role broadly responsible for European transactions and investments. Suitable candidates will be qualified tax accountants or tax lawyers aged 30-35 with U.S. multinational experience. Commercial awareness and good communication skills are as important as technical ability. BERKS. Ref: JG.

LEASE ACCOUNTING **c£15,000**

Rapid growth in the leasing sector of this financial group has necessitated the recruitment of a Lease Accounting Manager to control the financial operation of a portfolio of leasing companies. Reporting to the Commercial Manager, responsibilities encompass producing management information and statutory accounts plus maintenance of the computerised general and debtor ledgers. The post demands a fully-qualified accountant with excellent technical skills, computer orientation and the ability to work in a pressurised environment. Experience in the leasing industry would be advantageous. CITY. Ref: SC.

ROBERT HALF
LEE HOUSE, LONDON WALL, EC2 01-638 6771

Recently Qualified Accountant

A major international Company based in the City is seeking to appoint an accountant as an Assistant to the Senior Financial Executive. The responsibilities of the Executive include monitoring the performance of certain subsidiary Companies, investigation of acquisitions and supervision of the Group's insurance portfolio, together with monitoring other activities of the Group's operations. The person appointed will be involved in all these aspects.

The successful candidate will be in his/her late twenties with two or three years' post-qualifying experience. An overall package of the order of £14,000 is envisaged.

Application to Box A8462, Financial Times 10 Cannon Street, London EC4P 4BY enclosing a curriculum vitae

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FINANCIAL ANALYST

AGE 25-35

A growing internationally-oriented merchant banking group requires a Financial Analyst for their London Office to appraise and report on new projects and assist in the ongoing structuring and monitoring of group operations.

Applicants should preferably have a professional accounting qualification and experience in international business.

A salary of c. £13,000 and benefits will be offered.

Please apply to:—
Administration Manager
ARAB INTERNATIONAL FINANCE LIMITED
2, Albert Gate, Knightsbridge, London, SW1

Senior Financial Controller

(International Banking)

City ***c £32,000+ benefits+car***

Our client is a major international bank seeking to strengthen its UK operation through the appointment of a senior financial controller who will be expected to play a major role in the implementation of the bank's growth plans.

In addition to control of the finance function, the jobholder will be held responsible for the successful development and implementation of sophisticated computer based systems in the financial, management information and general operations areas. As a key member of the senior management team, the chosen candidate will be expected to make a significant contribution to the overall success of the bank.

Candidates must be Chartered Accountants with significant experience at a senior, possibly director, level in an international organisation, ideally within the financial sector. Candidates aged under 35 are unlikely to have had the depth of experience required. A thorough knowledge of data processing and of current developments in the field of accounting and management information systems will be sought.

The personal qualities required will include the ability to define objectives, delegate responsibility and achieve results. Crucial to the success of the selected candidate will be highly developed management and interpersonal skills, and commitment to working to the highest standards.

In a changing and growing environment, this is a key appointment providing a challenging role for a high calibre financial executive currently operating at or near directorship level. Recognising this, the package offered will include a salary negotiable around the figure shown as well as a car and an attractive range of banking and other benefits.

Candidates, male or female, should write in confidence with a detailed CV to Alan Gilmour, Executive Selection Division, Southwark Towers, 32 London Bridge Street, London SE1 9SY. Please quote reference MCS/9036.

Price Waterhouse Associates

CORPORATE FINANCE — MERCHANT BANK

Newly Qualified ACA's **c.£12-16,000**

Three major merchant banks are actively seeking recently qualified graduate chartered accountants to join their corporate finance departments in the City.

These are prestigious banking functions advising major companies on matters such as mergers, takeovers and money raising. The work is challenging but rewarding, and our clients offer excellent long term prospects.

If you are interested in these appointments, please telephone Judith Richardson B.A., or Tim Forster B.Com., at our London office on 01-836 9501 quoting Reference No: 4353.

410 Strand London WC2R 0NS.

DOUGLAS LLAMBIAS DLA
Douglas Llambias Associates Limited
Accountancy & Management Recruitment Consultants

INBUCON

Group Accountant

West Sussex **To £15,000 - bonus + car**

Our client is a publicly quoted manufacturing group with interests overseas, a record of satisfactory growth, and a strong balance sheet. Through improvement of its systems, controls and management it is investing in significant future development.

They seek a qualified Accountant whose role will be to control and co-ordinate the whole management accounting function, including general ledgers, inventories and costings; the monthly reporting package; and annual accounts and budgets.

Candidates must be qualified ACA/ACMA/ACCA, preferably aged 30 to 35, with a good track record in management accounting and experience in systems development.

In addition to the salary there is an incentive bonus, car, contributory pension scheme, and generous relocation expenses where necessary.

Please write with full career details, quoting reference 4017 to A. G. N. Burden:

INBUCON MANAGEMENT CONSULTANTS LIMITED
Executive Search and Selection,
Knightsbridge House, 197 Knightsbridge, London SW7 1RN.

ENJOY A WIDER VIEW.

Internal Auditor, Merchant Banking.

Brown Shipley is a leading international banking and finance group, with an ambitious Internal Audit programme. It is now being applied to a diversified group in which a considerable amount of structural change is envisaged.

To help us implement these important plans, we now wish to appoint a Senior Auditor with the experience and ability to provide an independent appraisal of the Group's operations and systems. You will initially report to the Head of the Internal Audit Department and we expect the right man or woman to be capable of becoming Department Head in due course. We should add that further career opportunities exist in the finance function or other operational areas within the Group.

You will find that our audit function has a close involvement with the Group's commercial activities, and the scope of work is much wider than pure auditing. It could quickly bring you into contact with our UK subsidiaries in factoring, leasing and hire purchase, as well as our banking subsidiaries in the USA, Dublin and the Channel Islands.

Therefore, not only should you have the depth and maturity to take on a wider view, but also bring with you practical audit experience, ideally in the banking or financial services sectors. We would prefer you to be a chartered accountant, but the right experience and attitude could well outweigh qualifications.

Although the Department is currently based in the City of London, it is likely to relocate to the Group's administrative headquarters in Haywards Heath during 1984.

Clearly, we shall be offering an excellent financial package with all the benefits you would expect from a Group of our size and reputation. Therefore, please write with full details of your experience and career to date, including salary details, to:
N. W. Perry, Head of Group Personnel and Administration,
Brown Shipley & Co. Ltd.,
Founders Court, Lothbury, London EC2R 7HE.

Accountancy Appointments

UK COMPANY NEWS

Gestetner shows recovery with £6.9m

ALTHOUGH profits were down at midway, Gestetner Holdings, reprographic equipment manufacturer, turned in a taxable surplus of £3.58m for the second six months, compared with £7.74m losses and finished the November 5, 1983 year £6.86m in the black. This is against a £3.09m deficit for the previous 53 weeks.

The directors believe that measures which have been taken or are planned, together with new products introduced or to be introduced in the current year, will take the group "further along the road back to recovery." A peak of £29m pre-tax was reached in 1976-77.

Turnover for the 52 weeks increased from £323.23m to £343.11m and the dividend is maintained at 1.32p net per share with a final payment of 0.82p.

Mr David and Mr Jonathan Gestetner, joint chairmen, say that results in the majority of the operating units were better than the preceding 53 weeks; group operating profits were 300 per cent ahead at £13.57m.

The U.S. subsidiary incurred a £6.9m loss, but management changes have been made which directors are confident will return the company to profitability during the current year. However, the chairmen say the year as a whole is likely to produce a further loss.

The principal UK manufacturing subsidiary was profitable, although its engineering division continues to suffer losses, they state. Remaining manufacturing units and, with a few exceptions the sales subsidiaries, produced good profits, "some outstandingly so."

New models in the copier range have enabled the group to maintain the rate of increase in placements, which have been a feature, they say, of trading in recent years. The chairmen add that in the fields of stencil duplicating, offset duplicating and Velo-Bind successful new models have been added to the range.

Pre-tax figure for the year included associates share, £171,000 (£279,000) and investment income of £1.5m (£2.04m), but was after interest payable, £8.38m (£8.86m) and exceptional debits totalling £4.09m, compared with £5.46m.

The exceptional items consisted of £1.26m (£4.74m) rationalisation and reorganisation costs; exchange losses of £2.69m (£1.62m); a £989,000 (nil) deficit on cost of revaluation of freehold properties; surplus of £848,000 (£906,000) on the disposal of freehold properties and other sundry credits.

Tax charge was high at £7.06m (£4.56m) principally because of losses in certain subsidiaries which do not qualify for tax relief until the companies are profitable.

After minorities, £262,000 (£137,000 credits) and extraordinary debits of £6.32m (£8.72m), the attributable figure came through as a £6.78m loss compared with £16.23m previously. Dividends will absorb £649,000 (£639,000).

Basic loss per 25p share is given as 0.97p against 15.48p.

The extraordinary items comprised of £2.06m (£8m) costs related to the cessation of copier development and manufacture; other rationalisation and reorganisation costs, £4.26m (£979,000); adjustment of £263,000 (credit) last time to the net worth of listed current asset investments.

Pre-tax losses on a CCA basis totalled £1.47m (£13.75m).

See Lex

HIGHLIGHTS

Lex looks at the December Trade Figures which appear remarkably good before turning to the corporate news of the day. Gestetner has published full-year figures showing a sizeable swing at the pre-tax line but there are lots of problems lower down. The column then turns its attention to the annual figures from Volvo showing profits of K 3.85bn. Lex comments at the attempts by British Airways to switch its employees out of index-linked pensions. Finally the full-year results are out for Union Discount completing a busy week for discount house shares.

Union Discount well down at £6m

GROUP PROFIT of the Union Discount Company of London dropped by £5.25m to £6.12m for the 1983 year, but a final dividend of 23p lifts the net total from 31p to 34p per £1 share.

The profit was arrived at after providing for rebate, tax and making a transfer to inner reserve.

Total dividends amounted to £3.4m (£3.1m), unappropriated profit brought forward £2.94m (£1.67m), transfer from inner reserve £9m (nil), transfer to general reserve £11m (£7m) and unappropriated profit carried forward—parent company £3.53m (£2.94m) and subsidiaries £126,000 (nil).

Stockholders' total published funds stand at £53.65m (£41.03m) and total current assets at December 31 1983 were approximately £1.75bn (£2.2bn) and are stated at the lower cost and market value.

Commenting on the results Mr Richard Petherbridge, senior managing director, says the profits compare with the previous year's "exceptional" figures.

He explains that in 1982 clearing bank base rates fell from 14½ per cent to 9 per cent, then rose to 10 per cent for the last month of the year. In 1983, he says base rates rose from 10 per cent to 11 per cent and fell to 9 per cent before the end of the year. "The company's results for the two years mirror the differing magnitude in these interest rate movements," Mr Petherbridge adds.

The annual revaluation of the group's property has thrown up an additional £899,000, increasing the property revaluation reserve to just short of £7m.

It is pointed out that the bill market was dominated by the scale of the Bank of England's open market operations, with a consequent squeeze on the group's margins. Mr Petherbridge says that although the bill mountain did contract during the summer it has been increasing again and is likely to be a problem for the market and the Bank for many months to come.

The group has stepped up the activity in the very short end of the money market and its mortgages and short-term loans have increased from £40m to £116.5m.

Union Discount's leasing portfolio has been increased considerably from £18m to £43.5m. Specialist staff have been engaged to develop this business both on the company's behalf and as managers for other lessors. For this purpose a new company, Union Discount Leasing, has been registered.

Referring to the changes that are taking place in the City, and the effect these will have on the company, Mr Petherbridge says that much work has been done and is being done to devise a strategy which can be developed to the benefit of the company. As yet, he says, the work is not complete and therefore no noteworthy decisions have been taken.

See Lex

Tim Dickson examines recovery at Bernard Wardle

Success at a knockdown price

DETAILS OF a major turnaround at the once publicly quoted PVC sheet manufacturer Bernard Wardle were announced yesterday.

The much-changed group, the subject of a management buy-out in 1982 from Mr Graham Ferguson Lacey's then vehicle, NCC Energy, is now a private company.

Wardle, which last year bought its major competitor, Storeys Industrial Products, the former Turner and Newall subsidiary, revealed pre-tax profits of £1.07m for the 14 months to August last year, against losses of £339,000 during the 15 months to June 1982. Sales rose from £22.6m to £26.3m over the period.

At the same time Wardby, as the company has been called since the buy out, announced that it has changed its name to Wardle Storeys and that it will be once again seeking a stock market quote some time next year.

Commenting on the company's recovery managing director Mr Brian Taylor explained that ruthless cost cutting and the successful integration with Storeys have been responsible for halting the decline and re-establishing a soundly based business.

Net assets have increased from just over £3m to £9.5m — and net current assets of £4.7m at the end of August 1983 compare with net current liabilities of £2.7m previously.

Taylor was hired by Ferguson Lacey in May 1980 just as the deepening recession was exposing Wardle's heavy dependence on the troubled automotive industry. Losses of more than £5m were chalked up on sales of over £31m in the 18 months to end-March 1981.

Taylor's corrective action has included cutting out 1,500 jobs since his appointment but the key event has undoubtedly been the acquisition of Storeys, which appears to have been negotiated at a knockdown price.

Total purchase and integration costs worked out at roughly £4m but almost £3m was accounted for by redundancy payments (mainly at Storey's Lancaster factory which was completely shut down).

The merger and subsequent rationalisation — which leaves three sizeable plants at Brantham, Essex, Earby, Lancashire and Edinburgh plus a couple of smaller locations — was completed in six months, including the transfer of technology and product lines, the relocation of many large machines and the reorganisation of the group transportation system.

Besides the factory closure four sales forces have been merged into two.

The result is a group still firmly rooted in a traditional manufacturing sector — about 35 per cent of sales are coated fabrics and laminated products with the rest accounted for by plastic sheeting of one kind or another — but in a much stronger position to take on others in a highly competitive market place.

Weston Hyde is probably now the chief UK rival with the West German-based Alkor, part of the Solvay Group, the biggest operator in a European context.

Taylor paid particular tribute to the City-based institutional backers who helped finance the buy out in October 1982—"just when we were coming out of the tunnel but before the Storeys deal."

Citicorp, Electra Investment Trust, Fountain Development Capital (managed by Hill Samuel) and the British Rail Pension Fund have 63 per cent between them with the balance held by the management (Taylor's own share at the moment is 31 per cent).

If, as seems likely, certain profit targets are met, however, the management takes control with 51 per cent.

Asked what might whet the appetite of investors when the time comes to go public, Taylor believes there are still more overheads to be cut, notably improving material utilisation.

Other turnaround opportunities are also believed to be in Taylor's sights while significant efforts are being made to break into the export markets of the United States and West Germany on the back of the weaker pound.

Containing raw materials costs will be one of the big challenges but observers believe the company could make £2m on £40m of sales in the current financial period.

Warner Estate advances and pays 2p more

On a £1.64m rise in turnover to £9.47m property investment company Warner Estate Holdings lifted its pre-tax profits from £2.1m to a record £2.5m for the year to September 30 1983.

Earnings for the year improved by 4.4p to 13.9p per 25p share and a final dividend of 7p (5.5p) raises the net total from 9p to 11p.

Tax took £997,000 (£1.04m) and minorities £10,000 (£3,000). Extraordinary items added £2.27m, compared with £1.43m previously, and were the surplus from property sales.

Investment properties are included in the accounts at valuation. Total net book value of land and buildings totalled £53.25m (£48.54m) at year-end. Depreciation was not provided in respect of investment properties.

Net asset value amounted to 633p (569p) per share.

Camford Engineering

Camford Engineering has returned to profit after two years of losses. For the year ending September 30 1983, there was a pre-tax profit of £623,000 (loss £733,000) on a turnover which was down £1m at £37.87m.

There was a tax charge of £27,000 (nil) and an extraordinary debit of £89,000 (£2.36m) was set aside for the rundown of factory premises and redundancies.

A dividend of 0.35p (nil) has been declared for the year, and earnings per 25p share are 3.29p (loss 3.88p).

Second-half downturn at FNFC

A SECOND-HALF downturn from £10.51m to £6.28m left pre-tax profits of First National Finance Corporation lower at £11.43m for the year to October 31 1983, compared with £15.2m.

Profits in the lending and property division continue to be of an irregular nature, falling in the year form £10.55m to £5.2m. The consumer credit side however, continued with the increased business reported in the first half and a satisfactory rise in profits to £10.3m (£7.55m) was achieved.

An increased loss of £4.07m, against £2.91m, was however, incurred by the consumer credit division holding company, First National Securities (Holdings).

The overall group pre-tax results included exceptional credits of £145,000, as against £403,000 debits before. After tax credits up from £341,000 to £685,000, net profits came out at £12.11m, against £15.54m, and earnings per 10p share were down by 2.7p to 9.8p.

After-tax profits have increased group shareholders' funds to £16.58m (£4.46m).

No dividends have been paid since 1974.

● comment

It came as no surprise that FNFC's troubled property and lending division again slipped into reverse, providing the main impetus behind a 25 per cent decline in group pre-tax profits. So the market, which has also been supported by rumours of an impending loan stock issue, took a sanguine view and only marked the shares down 1p to 66½p. Investors have also been encouraged by the growing strength of the consumer finance arm, which more than quadrupled its interim profits in the second half. Since it cut loose from the clearing bank lifeboat, consumer credit has increased its lending from £140m to £180m and demand should continue to be buoyant in the current year. Meanwhile, the syndicated loan will also allow the division to compete more easily for bank deposits and widen its margins further. However, the group is still £20m short of the £36m shareholders' net surplus it needs to cover its equity capital before dividends can be contemplated.

McLeod Russel pays 3.5p interim

THE increase in tea prices, the ending of the drought in Australia, the better performance of the UK companies, except DKS, and progress being made on the UK property developments, mean that McLeod Russel can look forward to the future with confidence, says Mr John Guthrie, chairman.

In the group's first interim statement, out of an 18 month period to end September 30 1984, the directors of this plantations, property development concern, which has close status, are recommending an interim dividend of 3.5p per £1 share. Last year's equivalent single payment was 6.67p, and pre-tax profits totalled £4.94m (£1.57m).

Mr Guthrie points out that although the total crop of the group's three Indian associates, McLeod Russel (India), Makum, and Namdang, shows only a modest increase, compared with last year, overall profits of these companies in India will be "sharply up as a result of the considerable increase in the selling price of tea."

The group is expecting increased profits from its tea and coffee crops in Kenya, while in Australia, drought conditions in the first half of 1983 adversely affected the cotton crop that was picked in June.

The chairman says, however, that with the drought having been broken some 7,000 acres of cotton were planted last October. Barring any "natural disaster," McLeod expects to pick up a good crop this June and receive higher prices than in the past.

Mr Guthrie adds that the wheat crop that was harvested last December exceeded budget and an overall profit is expected for the 18 months, despite the effect of the drought in the early part of the period.

Commenting on the group's UK trading operations the chairman says that Masons, the paint manufacturing company, is trading above the level of the previous year in volume and profit terms, and directors look forward to a satisfactory result for the full period.

Arthur Edge, drop forging, is trading profitably at a higher level than 1982-83, although it continues to experience stiff competition, the chairman states.

KLP moves ahead to £548,000

HIGHER PRE-TAX profits of £548,000 against £408,000 have been produced by KLP Group for the year to the end of September 1983. The directors say that the current year has started well, against a background of increased expenditure by UK companies on sales promotion, and they are confident that 1984 will be a year of continued group expansion.

Turnover of this group, which is involved in sales promotion, and which came to the Unlisted Securities Market last June, grew from £5.23m to £5.54m.

A single dividend of 1.6p net has been declared for the year. Waivers by directors have reduced the cost of dividends by 77 per cent. Earnings per 5p share improved from 4.67p to 6.76p.

Since the beginning of 1983 the directors say that the company has enjoyed considerable success in gaining new clients and this has been coupled with an increase in the level of business generated from existing clients. These trends have accelerated since the flotation.

In parallel with its UK growth the group has during the past few months, organised several promotions overseas. The directors point out that one of the largest promotions ever seen in Australia has been mounted on behalf of a multinational client. They say that the potential for international expansion is being actively pursued.

The directors say that this year will see the establishment of a direct marketing division, which will take the group into an increasingly important area of marketing.

Tax amounted to £283,000 (£227,000).

● comment

The paucity of information in KLP's first statement since coming to the USM denotes a surprising coyness for a sales promotion company. Beneath the youthful blushes, however, it looks as if the quality of earnings has improved. Consultancy fee earnings, which attract more than twice the margins and are longer term than the rest of the business, have increased from 20 per cent to 26 per cent of the total. Meanwhile, the spread of clients is widening so that no single customer accounts for more than 10 per cent of group turnover. The coming consolidation of the two London offices into a single headquarters will swallow most of the placing money, but give scope for substantial operating efficiencies and remove the current physical constraints on taking up new business. KLP promises to announce the largest account ever gained by a sales promotion company next May and has plans for overseas expansion. The market had expected a rather better second half, and so sent the shares down 15p to 160p, capitalising the group at £6.6m.

London Private Health suspended—growth plans

London Private Health Insurance, one of two private hospital groups on the Unlisted Securities Market, called for a suspension in share dealings yesterday while it completed "detailed discussions with a substantial private health care group" on a possible linkage of expansion plans.

Mr Eric Koops, the group's finance director, said yesterday that he expected to be able to make an announcement within "a matter of days." The company's shares were suspended at 31p—up from an opening price of 28½p. This followed a 2p increase in the company's share price on Tuesday.

Mathercourt Securities, financial advisers to London Private Health (LPHG), is understood to have taken the initiative in setting up the talks.

London Private Health was floated on the USM in September 1981. In the six months to September 1983 it incurred losses before tax of £12,500 on a turnover of £645,000. It is nevertheless understood that the group will report a profit for the whole year.

DPCE sharply higher

IN LINE with its historic growth patterns DPCE Holdings, the independent computer maintenance company, returned substantially higher profits for the six months ended December 31 1983.

On the back of a 37 per cent rise in turnover to £3.4m (£2.49m) profits at the pre-tax level rose from £459,000 to £818,000. As forecast at the time of stock market flotation last July a net interim dividend of 0.7p is being paid from earnings of 4.7p per 5p share—a total payment of not less than 2p has been foreshadowed.

Group chairman, Mr Colin Clive, says that while the major contribution to performance continues to derive from the UK operating company, the Dutch offshoot continued to perform satisfactorily in a more difficult market and has taken on two substantial contracts.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Bootham Engineers	3	—	6	3	6
DPCE Holdings ...int.	0.7	Feb 29	—	—	—¶
Fleming Fledgeling	1.35	April 2	1.25	2.25	2.25
Gestetner	0.82	April 4	0.07	1.32	1.32
KLP Group	1.6‡	—	—	—	—
Lookers	2.6	May 18	2.45	4	3.85
McLeod Russel ...int.	3.5§	May 17	—	—	6.67*
Park Food ...int.	1	—	—	—	—
Union Discount	23	—	20	34	31
Warner Estate	7	—	5.5	11	9
Whatlings	1.75	April 6	1.5	3	2.5

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted companies. ¶ Not less than 2p has been forecast. || For 18 months.

Over-the-Counter Market

1983-84 High	Low	Company	Price	Change	Gross div.(p)	Yield %	P/E Actual	P/E Fully taxed
142	120	Ass. Brit. Ind. Ord.	125	—	8.4	6.1	7.3	9.6
158	117	Ass. Brit. Ind. CULS	139	—	10.0	7.3	—	—
78	62	Airsprung Group	75	—	6.1	8.1	21.4	21.4
38	21	Armitage & Rhodes	27	−1	—	—	—	—
300	141½	Bardon Hill	300	—	7.2	2.4	12.2	24.9
55	53	Bray Technologies	55	+1	2.7	4.9	10.0	10.8
200	197	CCL Ordinary	197	−1	5.0	2.5	4.5	6.3
151	121	CCL 11pc Conv. Pref.	147	—	15.7	10.7	—	—
220	100	Carborundum Abrasives	220	+10	5.7	2.6	—	—
249	100	Cindico Group	103	—	17.6	17.0	—	—
63	45	Deborah Services	51	—	6.0	11.8	27.3	44.3
196	75	Frank Horsell	196	+2	—	—	8.2	13.5
183	75½	Frank Horsell Pr Ord 87	183	+2	8.7	4.7	7.7	12.6
60	37	Frederick Parker	37	−1	7.1	19.2	2.3	3.7
39	32	George Blair	33	—	—	—	—	—
80	47	Ind. Precision Castings	47	−1	7.3	15.5	13.1	16.2
240	134	Isis Conv. Pref.	240	—	17.1	7.1	—	—
121	61	Jackson Group	118	—	4.5	3.8	6.1	11.9
240	169	James Burrough	240	+5	11.4	4.8	13.3	13.6
335	275	Minihouse Holding NV	335	+5	4.0	1.2	25.2	30.7
176	114	Robert Jenkins	114	−1	20.0	17.5	13.3	8.9
74	60	Scruttons "A"	60	—	5.7	9.5	10.0	7.2
120	69	Torday & Carlisle	69	−1	2.9	4.2	—	—
440	385	Trevian Holdings	438	—	—	—	8.9	8.1
26	17	Unilock Holdings	18	+1	1.0	5.5	11.8	17.1
90	65	Walter Alexander	85	—	6.8	8.0	7.5	9.9
276	239	W. S. Yeates	239	−1	17.1	7.2	3.7	7.6

Public Works Loan Board rates

Effective January 25

Years	Quota loans repaid by EIP†	Quota loans repaid A‡	Quota loans repaid at maturity§	Non-quota loans A* repaid by EIP†	Non-quota loans A* repaid A‡	Non-quota loans A* repaid at maturity§
Up to 3	9⅞	10	10⅜	11⅛	11¼	11⅝
Over 3, up to 4	10¼	10⅜	10⅝	11½	11⅝	11⅞
Over 4, up to 5	10½	10⅝	11	11¾	11⅞	11⅜
Over 5, up to 6	10⅝	10⅞	11¼	11⅞	11⅝	11½
Over 6, up to 7	10¾	10⅞	11⅜	11⅞	11¾	11⅝
Over 7, up to 8	10⅞	11	11⅜	11⅞	11¾	11⅝
Over 8, up to 9	11	11⅛	11⅜	11⅞	11¾	11½
Over 9, up to 10	11⅛	11¼	11⅛	11⅞	11⅞	11⅜
Over 10, up to 15	11⅝	11½	10⅞	11¾	11½	11⅛
Over 15, up to 25	10¾	10⅝	10½	11⅜	11⅛	11
Over 25	10⅝	10⅝	10⅝	11⅛	10⅞	10⅞

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

Wimpey's £31m British Land deal

BY MICHAEL CASSELL, PROPERTY CORRESPONDENT

WIMPEY PROPERTY has sold its half-share in Euston Centre Properties, jointly-owned with Stock Conversion and Investment Trust, to British Land for £31.5m.

Wimpey has also disposed of its 3.2 per cent shareholding in Stock Conversion to British Land, which yesterday — as part of the agreement — placed them on the market.

British Land says it will be financing the deals from its own resources and will not be seeking a rights issue. Mr John Ritblat, chairman of British Land, said the purchase represented an excellent deal for the group and it had already reached agreement with Stock Conversion for the management and control of the properties involved.

The Euston Centre, a 12-acre office complex on Euston Road, London, was developed by Wimpey and Stock Conversion during the 1960s and early 1970s.

It comprises seven separate buildings providing 1.6m sq ft of floorspace. All but one of the properties are held on a freehold basis and existing tenants include the Department of the Environment, ICL, Thames Television, Rank Zerox, Capital Radio and the Greater London Council. Rent reviews in the 37-storey Euston Tower are due this year.

As part of the deal, British Land also acquires from Wimpey Property a half-share in Vogue House, a 57,000 sq ft office building in Hanover Square, held on a 150-year lease from 1958. Tenants include Conde Naste Publications, Midland Bank and Bank of Tokyo.

The Euston Centre and Vogue House were together valued last year on an open market basis at £119.4m, a fall from the previous valuation of £129.55m.

Mr Colin Smith, managing director of Wimpey Property, said the £31.5m sale price for its half-share in property last valued at £119m was in line with the 40 per cent discount to net asset value reflected in Wimpey's last annual report.

He added that the price recognised the impending need for substantial refurbishment of the Euston Centre and the large scale of the property, for which the investment market was extremely limited.

Wimpey Property, he said, had been the dormant partner in Euston Centre Properties, permitting Stock Conversion and its agents to manage the buildings concerned. The company, Mr Smith added, preferred to be in situations where it exercised its management abilities, rather than acting as passive shareholders.

Gleneagles beats profit forecast

BY DAVID DODWELL

TWO OF the 17 institutional investors in the privately-owned Gleneagles Hotels group yesterday voiced opposition to the £20m takeover bid launched two weeks ago by Arthur Bell, the Scotch whisky distiller.

News of support for the 2½ year old Scottish hotels group coincided with an announcement by Gleneagles that pre-tax profits for 1983 reached £1.2m. This compares with a forecast in December of at least £1m, and with profits in 1982 of just £83,000.

Support for the group came from Equity & Law, which has a 3.33 per cent stake in Gleneagles, and from Scottish Mutual Association, with a 2.67 per cent stake. The institutions bought Gleneagles from British Rail in 1981. It comprises the prestigious Gleneagles Hotel in Perthshire, and two Edinburgh hotels.

A spokesman at Equity & Law said: "The bid has come too early in the company's life, and before it has reaped the rewards of its heavy investment in refurbishment and marketing of its Scottish hotels."

Scottish Mutual noted "disquiet" expressed over Gleneagles' plans to acquire the Piccadilly Hotel in London and refurbish it, using a £9.7m rights issue to fund the improvement, but argued that it was "a sensible development for the company in the medium to long term."

A spokesman added that the Bell's offer did not reflect the "true value" of the company, and said it would not be accepted.

The first closing date for the Bell bid is today. The offer comprises 173 new Bell shares for every 100 in Gleneagles, or a cash alternative of 225p. With Bell shares closing yesterday up 1p at 155p, the share offer values Gleneagles shares at 268p.

Gleneagles has insisted during its fierce defence against the investors were backing the Bell bid that its institutional present management. While Equity & Law and Scottish Mutual account for a bare 6 per cent of the company's shares, their comments underscore the company's claims.

Arthur Bell controls 29.99 per cent of itss hares, but the second largest holder, the Kuwait Investment Office with 15 per cent, is understood to be backing Gleneagles at present. Just five other institutions control about 28 per cent of the shares.

Lichtenstein company lifts D. Dixon stake

Mr Harry Turpin, the chairman of David Dixon, the Leeds-based hosiery and underwear group, revealed yesterday that the Lichtenstein-registered Establishment Plambuit, with interests linked to it, had lifted its stake in the company to 29.96 per cent.

Following a fresh purchase of 50,000 ordinary shares, Establishment Plambuit has increased its holding to 525,000 shares — amounting to 28.9 per cent of Dixon's issued share capital. With a further 4.68 per cent of the shares held through Aegean Investments & Management Services, which is linked to Establishment Plambuit, the two control 33.58 per cent of the nominal share capital.

No bid has been triggered because directors of Dixon control 51,000 preference voting shares, which reduce Establishment's voting power to 29.96 per cent.

Establishment Plambuit is a family trust registered in the name of the grandmother of Mr Tom Scrase. Mr Scrase, now based in Cyprus, is an associate member of Kemp, Mitchell, the London stockbroker. Mr Turpin said yesterday that Mr Scrase had been "interested" in Dixon for over six years. He has been building up his stake in the company for the past 15 months.

The Takeover Panel, which has held discussions with Mr Scrase, said yesterday that they had noted the linkage between Establishment Plambuit and Aegean. They said no ruling had yet been made on whether the two were acting in concert, but that they were "keeping the position under review."

Speculation pushes House of Fraser share price up 16p

BY JOHN MOORE, CITY CORRESPONDENT

House of Fraser's share price yesterday rose 16p to 280p amid speculation that Lonrho, the stores group's largest shareholder, was poised to sel its 29.99 per cent stake in the company. The current share price values Fraser's entire share capital at £430m.

Lonrho director, Mr Paul Spicer, said last night: "There is a great deal of interest in House of Fraser shares and there is a great deal of interest in our shareholding. But we cannot comment on all this speculation."

At the start of trading this week House of Fraser's shares stood at 250p. The share price was unchanged at the end of Monday's trading but rose 14p in Tuesday's trading, with the further rise yesterday putting the share price at a new high point for the year.

In the stock market yesterday dealers speculated that Lonrho had clinched a deal for the disposal of its stake at 315p per share, with an announcement due next Monday.

In the stock market it has been suggested that:

- Lonrho was on the point of selling its Fraser shares to Sears Roebuck, the U.S. stores group;
- Lonrho was on the point of selling its stake to the business interests of Daniel K. Ludwig, a business associate of Lonrho's chief executive, Mr Roland "Tiny" Rowland.
- Business interests of Daniel K. Ludwig were planning to buy Globe Investment Trust's shareholding in Fraser of just over 4m shares.
- Lonrho was on the point of selling its near 30 per cent shareholding in Fraser to BAT Industries, the tobacco group which has just acquired Eagle Star.

The latest speculation suggested that Lonrho had clinched a deal to dispose of its holding for 315p to an unknown buyer.

Much of the current speculation has, however, been rebutted by some of the parties mentioned.

Globe Investment Trust, whose shareholding represents around 2.6 per cent, said yesterday: "We have not been approached and we have not sold our shares. There are no plans to sell our shares. We are enjoying the ride at the moment."

BAT Industries said: "We never comment on market rumours." On its general acquisition policy BAT Industries said: "This is fundamentally unchanged. We are a dynamic organisation and from time to time we will do things." It added that with the big acquisition of Eagle Star accomplished "one would expect the big emphasis to be on organic growth. Small acquisitions are not ruled out but one would expect organic growth to play a big part."

If Lonrho were to place its stake with another interested party it would need to notify the Fraser board within five business days from the completion of the deal. Fraser would then have to notify the Stock Exchange immediately. Fraser yesterday had received no notification from Lonrho of any deal.

THF sells travel chain

Trusthouse Forte has taken its declared policy of concentrating on its mainstream hotel and catering interests a stage further with the disposal of Milbanke Travel to St Margaret Investment for an undisclosed sum.

The sale of the chain of 14 travel shops, based in London's West End, takes THF out of the retail travel market and follows the disposal of the Swan Hellenic cruise operation to Peninsular and Oriental Steam Navigation last year. THF sold its leisure division last January to a City-backed consortium led by Lord Delfont.

Milbanke has been sold to St Margaret, headed by Mr Jack Bennett, on the understanding that the new owner will use the Milbanke name rather than Trusthouse Forte Travel which has been adopted for some purposes in the recent past.

* * *

The offer for North British Properties by Sun Life has been accepted in respect of 10,316,306 ordinary shares (98.1 per cent). Sun Life intends to acquire any outstanding shares. The offer remains unconditional in all respects and remains open until further notice.

MINING NEWS

Poor quarter for MIM

BY KENNETH MARSTON, MINING EDITOR

AUSTRALIA'S MIM Holdings has had a poor second quarter in its year to June 30. However, thanks to a somewhat unclear extraordinary credit net earnings for the first half are up at A$14.74m (£9.4m) compared with A$10.32m in the same period of 1982-83 when the year's total came out at A$39.17m. The interim dividend is maintained at 2 cents.

After earning A$9.99m in the first quarter of the current financial year MIM made only A$2.1m in the second quarter and this was before writing off A$5.9m on oil exploration, thus leaving a second quarter loss of A$3.8m.

But the day has been saved by an extraordinary credit item of A$8.57m. MIM describes this revenue as a "reservation of output." It is reported that when questioned about the item a spokesman for MIM said only that it was a commercial matter and he was not prepared to explain further.

In the latest half-year sales of coal and iron ore were substantially higher than those of a year ago and there were also increases in volumes sold of silver, lead and zinc. Sales of copper and nickel were marginally lower.

At the same time, however, costs rose, mainly as a result of new production costs at the new, or expanded, operations, principally at Oaky Creek and Mount Isa.

MIM says that prices for copper and silver slipped towards the end of the period and, with the exception of zinc, prices of all metals continue at unsatisfactory levels.

Meanwhile capital spending remains at a high level. During the past half-year it totalled A$236.2m, the major part of which went on the big coal projects and associated works such as township, railway and port facilities. Exploration expenditure totalled A$16.1m and was substantially on oil activities.

The Queensland coal projects at Newlands and Collinsville and the port of Abbot Point are in the final stages of commissioning and, as already reported, the first coal for the stockpile base at the port has been railed from Newlands. Export coal from Oaky Creek was loaded in December.

There should thus be a further increase in coal sales during the current half-year and with the prospect of some improvement in metal prices MIM may thus be heading for a better operating profit.

Restructuring for Sabina

IN ORDER to facilitate the raising of C$2.5m (£1.43m) for the underground programme at the McFinley Red Lake joint venture gold prospect in Ontario of Sabina Industries (60 per cent) and McFinley Mines (40 per cent) a company restructuring is proposed.

There will be two new companies. One will be New Sabina Resources which will hold all assets of the present Sabina Industries other than the McFinley joint gold venture. The other will be McFinley Red Lake Mines which will own 100 per cent of the gold prospect.

Shareholders in Sabina Industries will be offered in exchange for every 10 shares a holding of five shares of New Sabina Resources plus four shares of McFinley Red Lake Mines and one warrant in the last-named; a holder of two warrants will be entitled to buy one share in McFinley Red Lake Mines at C$3 before September 3 1985.

Similar reorganisation plans have been announced by McFinley Mines. The changes will not affect the respective holdings in the gold venture held by the existing partner companies.

The New Sabina Resources shares will continue to be listed on the Vancouver Stock Exchange while McFinley Red Lake Mines will be traded on the over-the-counter market in Ontario pending a listing on the Toronto Stock Exchange.

* * *

Production of primary aluminium from Australia's Comalco rose last year to 271,021 tonnes from 215,354 tonnes in 1982, largely reflecting the completion of the third potline at the Tiwai Point smelter and the bringing on stream of smelting furnaces at the new Boyne Island smelter.

Harris launches £35m cash bid for Stylo

By Terry Garrett

Harris Queensway is pushing ahead in its attempt to win control of Stylo, the shoe retailer, in spite of opposition from the controlling Ziff family.

In a move largely designed to gauge the feelings of outside shareholders, Harris Queensway has formally launched the £35m cash bid which it said it would like to make if controlling directors would agree the price.

The bidder claims already to have the support of over 30 per cent of the ordinary shares in addition to the 5.1 per cent it owns.

However, because of the two-tier voting structure — Stylo's management shares account for 4.6 per cent of the equity and carry 43.5 per cent of the votes — the directors can block the offer if they stand united.

Arnold Ziff, Stylo's chairman for nearly two decades, was unavailable for comment yesterday but he has already condemned the price offered by Harris Queensway as inadequate. His response to the £35m value was: "I don't sell pound notes for 10 shillings."

The offer is 325p in cash for each ordinary share and 450p for each management share. With options outstanding to the management, that values Stylo at £35.65m.

The defence will be that the offer seriously undervalues Stylo's assets of 370 retail outlets, including 100 operating under concession from other stores. An internal revaluation is now under way.

Looking at Stylo's past profits performance, the bid values it at 10 times the last decade's attributable profits. The exit p/e on the last published earnings to January 1983 is 55.

SGB paying £2.2m for Hall Engineering offshoot

BY CHARLES BATCHELOR

SGB Group, the scaffolding company, is to pay about £2.2m cash for Gravity-Randall, the timber and aluminium ladder-making subsidiary of Hall Engineering (Holdings), the steel stockholder and manufacturer of steel reinforcements.

Gravity-Randall incurred a pre-tax loss in 1982, but management accounts show a return to profits in the last two or three months of 1983. Turnover of the company is about £2.5m.

Mr Alan Walker, a director of SGB, said: "The two businesses are very compatible. This will increase our share of the timber and aluminium access equipment market to 25-30 per cent from 17-20 per cent."

Gravity-Randall will become part of SGB's W. C. Youngman subsidiary which has turnover of about £18m from access equipment, system buildings and the hire of fork lift trucks and other equipment.

SGB plans, initially at least, to maintain Gravity-Randall's factory employing about 110 people at Slinfold, near Horsham, Sussex, alongside its own plant at nearby Crawley. It does plan to rationalise production, however, to achieve improved margins.

The purchase price is based on Gravity-Randall's estimated net asset value, but will be adjusted to take account of an audit of its balance sheet at January 27, 1984.

Hall will use the proceeds to reduce debt. Profits have been under pressure since 1981 and fell further to £2.86m pre-tax in the six months ended June 30 1983, against £3.41m. Its shares rose 4p to 140p yesterday.

Bellair–Jacobs denial

Mr Adrian Jacobs, the financier, yesterday issued a statement denying he holds directly or indirectly shares in Bellair Cosmetics, the hair lacquer maker, the shares of which were suspended by the Stock Exchange on January 13.

The Stock Exchange ordered the suspension because of the group's failure to explain the reasons for the sharp increase in its share price to £13½. This compared with 17p on April 18, 1983.

Mr Jacobs said in his statement, issued on the advice of his solicitors, that he had never at any time had any dealings whatsoever with Wasskon Establishment or its controlling shareholders. Wasskon, which is controlled by Mr Mehmet Tecimer, a Turkish businessman, has a 76 per cent holding in Bellair.

Mr Derek Marshall, financial director of Bellair, said he had not heard of Mr Jacobs until he had been mentioned in a Sunday newspaper article. Mr Marshall added that, to his knowledge, Mr Jacobs was not on the shareholders' register.

He refused to comment on any step Bellair might be taking to explain its sharp share price rise to the Stock Exchange to achieve a re-listing of its shares.

* * *

Cray Electronics has completed the purchase of Eurotel for £90,000 in shares. A further £30,000 worth of shares may be issued as deferred consideration if Eurotel achieves its profits forecast.

UK COMPANY NEWS

Lookers advances to £1.4m on stronger trading base

THE WIDER and stronger base of Lookers, the car, truck and agricultural machinery distributor, is reflected in a sharp rise in turnover from £86.53m to £134.78m for the year to September 30 1983.

The directors attribute the improvement to the inclusion of the activities of the acquired Braid Group for a full year, compared with two months previously. Pre-tax profits, they add, show a considerable increase, to £1.41m, against £873,000, even after paying interest on the purchase price of Braid.

Profits at midway had risen from £161,000 to £480,000 on turnover of £70.95m (£32.91m).

The directors say that profits for the first quarter of the current year show a healthy improvement over the corresponding period. The outlook is for another full-year advance "despite the very competitive trading conditions."

The final dividend is raised from 2.45p net per 25p share to 2.6p, giving a total payment of 4p, against 3.85p. Earnings per 25p share increased from 14.8p to 16.2p. A one-for-10 scrip issue is proposed.

Tax took £205,000, compared with a credit of £226,000, giving net profits of £1.2m (£1.1m). There was an extraordinary debit of £227,000 (nil) leaving attributable profits of £977,000 (£1.1m). Dividends absorb £316,000 (£285,000).

Profits from the motor dealerships increased in spite of say the directors. Successful computerisation, leading to greater efficiency and more available sales, was of particular benefit to the parts department.

The Braid Group's companies have been integrated and have begun to contribute well, with further improvement expected in the current year.

The directors report a good year for all the agricultural division's depots. Profits from leasing and contract hire activities have reached a record level and are expected to continue to do well, in spite of falling used car prices.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims: W. G. Allen (Tipton), D. F. Bevan, Brasway, Brooke Tool Engineering, Daejan, Imry Property, Louis Newmark, New Wits, Sheldon Jones.

Finals: Ashley Industrial Trust, Bullough, Derby Trust, Greenwich Cable Communications, Henlys, Hill and Smith, Isle of Man Steam Packet, Newmarket (1981), F. Pratt Engineering, Vantage Securities, Vogelstruisbult Metal, Willoughby's Consolidated.

FUTURE DATES

Interims—
Smith (W. H.) .... Feb 15
Whitworth Electric .... Feb 8

Finals—
Copenhagen Handelsbanken ... Feb 15
I.D.C. .... Jan 31
Newman Tonks .... Jan 30
Wagon Finance .... Feb 10

Park Food midway losses as expected

THE HIGHLY seasonal nature of Park Food Group's business has resulted in pre-tax losses of £1.41m against £1.44m for the six months to the end of September 1983. The group is the largest supplier of Christmas hampers in the UK.

The directors say that results for the half-year—the first since the group gained a full listing last July—consist largely of costs and overheads which are not matched by sales until later in the year. Sales for the six months came to £1.09m (£1.06m).

A record number of hampers were packed and delivered for Christmas 1983, and for the full year the directors expect an improvement in both sales and profits over the previous 12 months.

An interim dividend of 1p net is recommended — in the prospectus at the time of the listing the directors expected to recommend 3p for the year.

Agreement has recently been concluded for the acquisition of the assets and goodwill of Marlborough Hampers.

ICC Oil lifts profit and makes £1.9m acquisition

At the same time as announcing a sharp increase in half-yearly profits, the directors of ICC Oil Services have disclosed that this USM company has agreed to acquire Jenkins & Davies, a private concern based in Pembroke Dock, South West Wales. The consideration of £1.88m is to be satisfied by the issue of ICC ordinary shares.

Jenkins & Davies, a maintenance and fabrication contractor working mainly for oil companies, has warranted profits of £600,000 for its current year.

Both ICC and Jenkins & Davies are already quoting for contracts on a joint basis and the directors believe there are substantial opportunities for the two companies to work together offshore in the North Sea.

ICC pre-tax profits for the six months to end-September, 1983 climbed from £160,354 to £246,709, while turnover more than doubled to £2.7m (£1.25m). After-tax profits rose by £41,450 to £118,420, but earnings per 10p share were lower at 0.29p (0.35p).

No tax charge is anticipated on current operations this year, due to hte significant capital allowances available from the assets acquired from Pritchard Services Group. Comparatives for 1982 comprise ICC only.

The directors intend to recommend an unchanged dividend of 0.02p net per share for the year.

They report that the five businesses acquired from Pritchard during the year have significant further potential, which the company intends to exploit. Full benefits from the combination of resources and management will be seen in the next financial year.

The offshore market is slowly improving and although margins are still under pressure, these too, should improve during the rest of the year. The deferment of offshore contract work by the oil majors, while still causing problems for ICC, is somewhat less extensive than a year ago.

In addition to its activities in the UK sector of the North Sea the company is also currently negotiating a joint venture with a Norwegian partner and has recently quoted for work in the Danish sector. Overseas, ICC is quoting for contracts in Saudi Arabia, Kuwait and Abu Dhabi and it also has inquiries from India and Iran.

Whatlings slightly ahead

Taxable profits of Whatlings, civil engineering and building contractor, were marginally up at £706,731 for the year to September 30, 1983, compared with £693,041. Turnover increased to £25.03m, against £23.88m.

The final dividend is raised from 1.5p net per 25p share to 1.75p, lifting the total to 3p (2.5p).

Pre-tax profits were down from £167,000 to £136,000 at halfway, with the directors of the opinion that results would improve in the second half.

The tax charge for the year was £52,000, against £43,000, giving attributable profits of £655,000 (£650,000). Dividends absorbed £120,000 (£100,000) and earnings per share were 16.38p (16.25p).

On a current cost accounting basis, pre-tax profits for the year were £616,000 (£618,000).

A. Walker expands office projects

THE DEVELOPMENT of commercial property is becoming increasingly important to Alfred Walker, the Birmingham-based property group.

Turnover for the half-year to October 31 1983 advanced by £103,000 to £457,000 but the group's pre-tax profit was unchanged at £30,000. There is no tax charge and earnings per share remain the same at 1.71p.

At the last annual meeting, Mr J. M. Donachie, chairman, expressed the group's interest in commercial property and in line with this policy, the company has acquired freehold office property in Cardiff for redevelopment and has exchanged contracts on two adjoining freehold office properties in Oxford during the last six months. The two sites should provide a total of 9,800 sq ft of accommodation when completed.

The group is considering other commercial property acquisitions and development projects.

Alfred Walker Investments, a subsidiary trading in listed securities and other investments, has acquired a 26.2 per cent holding in S.E.P. Industrial Holdings.

A dividend of not less than 0.75p is forecast for the full year.

Piccadilly Radio plans USM quotation

A SUCCESSFUL year for Piccadilly Radio has put the station in a favourable position for an approach to the Unlisted Securities Market, planned for early summer.

Turnover for the year, which ended September 30 1983, increased by 13.2 per cent to £4.34m (£3.83m).

Operating profit—before Independent Broadcasting Authority rentals, levy and tax—increased by £93,956 to £885,540. Pretax profit, including profit made on the sale of investments, was £500,559 (£449,258), an increase of 11.4 per cent. Net profit after tax was up £74,613 at £282,743.

A final dividend of 5p is proposed, giving a total of 9p (7.5p).

The station is waiting on the verdict of the IBA for its application for a second contractual term in the Greater Manchester area. The application was unopposed.

I. D. & S. Rivlin

In their interim report, covering the six months to October 31 1983, the directors of I. D. & S. Rivlin Holdings say that no significant changes have taken place over the half year.

They comment that the modest profit (£13,000, against £20,000, at the operating level) for the period justifies the cautionary note expressed in the chairman's statement accompanying the last published accounts.

The half-year statement reiterates that "it is not healthy for the group to be reliant on one substantial source of income." Although the directors are actively pursuing ways of remedying this situation, they say a satisfactory solution will take patient research and effort to achieve.

Meantime, they say the company, which is now quoted on the USM, has the problem of finding the interest and repayments of bank loans—Rivlin has interests in property, household textiles and fitted kitchens.

M. J. Gleeson

At the annual meeting Mr J. P. Gleeson, chairman of civil engineering, building contractor and property developer M. J. Gleeson Group, told members that current year turnover should be at the same level as the £72.97m attained in 1982-83.

He added that there was a possibility of an improved trading margin, despite pressures at home, when the Nigerian contract is completed. Good progress, he added, continued to be made on this "important project."

The company hoped to have another year of good results from the residential estate developments and maintained profit contributions from non-trading sources of income.

Yearlings at £16.75m

Yearling bonds totalling £16.75m at 9¼ per cent have been issued this week by the following local authorities:

Chester (City of) £0.5m; Broxtowe District Council £0.5m; Daventry DC £0.25m; Eastleigh (Borough of) £0.25m; East Lindsey DC £0.5m; Inverclyde DC £1m; Roxburgh DC £0.5m; Wansbeck DC £0.25m; Pendle (Borough of) £0.5m; Derwentside DC £0.25m; Milton Keynes (Borough of) £0.75m; Mole Valley DC £0.25m; North Bedfordshire Borough Council £0.5m; Edinburgh (City of) DC £1.25m; Hart DC £0.5m; Hillingdon (London Borough of) £1m; Hounslow (London Borough of) £1m; Thamesdown (Borough of) £0.5m; Brentwood DC £0.25m; Dudley Metropolitan BC £0.75m; Islington (London Borough of) £2m; South Staffordshire DC £0.5m; Wirral (Metropolitan Borough of) £1m; Sheffield (City of) £1.75m; Tamworth (Borough of) £0.25m.

Oddpak

Simon Pomeroy and Jeffrey Hordle of Peat Marwick Mitchell & Company, Bristol, were appointed joint receivers and managers on January 20 of Oddpak, the Bristol-based prepackers and distributors of motor components.

The receivers' intention is to permit the company to continue to trade and to sell it as a going concern.

Rochdale Council

Rochdale Metropolitan Borough Council has placed its £12m 11.10 per cent redeemable stock 2006 with institutions. The stock is being issued at par, arranged by Guinness Mahon and James Capel. Dealings are expected to begin on January 20.

Marshall Saturn advised Rochdale and the Royal Borough of Kensington and Chelsea.

Peter Dual

Mr Gordon Horsfield, a partner in Price Waterhouse, has been appointed a joint receiver to Peter Dual, a furniture retail and manufacturing company based at Peterlee, Co Durham.

The shareholders of WFS Holdings—Willis Faber, The Standard Bank of South Africa and South African Marine Corporation, have agreed to the separation of their interests in the company. The Standard Bank will cease to be involved in WFS Holdings.

This is seen as in the best interests of the shareholders, staff and clients. It is expected that after separation trading relationships between the groups will continue.

* * *

Taubman UK Investments has acquired more than 90 per cent of the shares in Sotheby Parke Bernet. Taubman UK will, after one month, be obliged to acquire the remaining minority shares in Sotheby's unless the Court orders otherwise.

Bootham setback—final halved

THE PROGRESS reported at the interim stage, when losses were cut from £146,000 to £51,000, was not sustained at Bootham Engineers. A downturn in second-half profits, compared with a year earlier, left the pre-tax surplus for the year ended October 31 1983 at £25,542, against £106,387.

After again passing the interim dividend (the last interim paid was in 1980) the company—a specialised engineer and garage proprietor—is halving its final payment to 3p net per £1 share, compared with 6p before.

Mr John Rymer, the chairman, admits disappointment with the results after the optimism expressed in his report last year. He has, however, seen little evidence of a significant recovery in the industrial sector which the company serves.

Looking ahead, Mr Rymer does not expect trading conditions to improve significantly over the next 12 months. But he does feel that the company has adapted to the new economic reality and that the strategy which has been implemented will show through in better results during the coming year.

During 1983 the company has had to replace markets which have closed or been run-down, with the development of new markets. Despite this situation, which has been aggravated by fierce price competition, it has been able to maintain its volume of sales, but has found it more difficult to sustain an acceptable level of profits.

In view of this pressure on profit margins, and recognising that the situation might continue for some months, the company has taken a number of actions. A factory at Northwich was closed earlier in the year, as reported in the interim results, and in addition a number of redundancies have been made at the company's main works in Scarborough and York. Mr Rymer expects that the resultant savings should show through in 1984.

In addition to the careful control of costs and overheads, the company has also made certain changes at senior management level, the most significant of which has been the appointment of Mr David Ashton as group chief executive.

More positively, the company has undertaken a great deal of sales development work in the south east and south west of England, which is now beginning to benefit trading profits. The Weedon factory where a new machine shop was built during 1982 continues to progress well.

BASE LENDING RATES

A.B.N. Bank	9 %	■ Hambros Bank	9 %
Allied Irish Bank	9 %	Heritable & Gen. Trust	9 %
Amro Bank	9 %	■ Hill Samuel	§9 %
Henry Ansbacher	9 %	C. Hoare & Co.	†9 %
Arbuthnot Latham	9 %	Hongkong & Shanghai	9 %
Armco Trust Ltd.	9 %	Kingsnorth Trust Ltd.	10 %
Associates Cap. Corp.	9½%	Knowsley & Co. Ltd.	9½%
Banco de Bilbao	9 %	Lloyds Bank	9 %
Bank Hapoalim BM	9 %	Mallinhall Limited	9 %
BCCI	9 %	Edward Manson & Co.	10 %
Bank of Ireland	9 %	Meghraj and Sons Ltd.	9 %
Bank of Cyprus	9 %	Midland Bank	9 %
Bank Leumi (UK) plc	9 %	■ Morgan Grenfell	9 %
Bank of Scotland	9 %	National Bk. of Kuwait	9 %
Banque Belge Ltd.	9 %	National Girobank	9 %
Banque du Rhone	10 %	National Westminster	9 %
Barclays Bank	9 %	Norwich Gen. Trust	9 %
Beneficial Trust Ltd.	10 %	R. Raphael & Sons	9 %
Bremar Holdings Ltd.	9 %	P. S. Refson & Co.	9 %
Brit. Bank of Mid. East	9 %	Roxburghe Guarantee	9½%
■ Brown Shipley	9 %	Royal Trust Co Canada	9 %
CL Bank Nederland	9 %	■ J Henry Schroder Wagg	9 %
Canada Perm't Trust	10 %	Standard Chartered	‖9 %
Castle Court Trust Ltd.	9½%	Trade Dev. Bank	9 %
Cayzer Ltd.	9 %	TCB	9 %
Cedar Holdings	9 %	Trustee Savings Bank	9 %
■ Charterhouse Japhet	9 %	United Bank of Kuwait	9 %
Choulartons	10½%	United Mizrahi Bank	9 %
Citibank Savings	¶10½%	Volkskas Intnl. Ltd.	9 %
Clydesdale Bank	9 %	Westpac Banking Corp.	9 %
C. E. Coates	9½%	Whiteaway Laidlaw	9½%
Comm. Bk. of N. East	9 %	Williams & Glyn's	9 %
Consolidated Credits	9 %	Wintrust Secs. Ltd.	9 %
Co-operative Bank	*9 %	Yorkshire Bank	9 %
The Cyprus Popular Bk.	9 %		
Dunbar & Co. Ltd.	9 %		
Duncan Lawrie	9 %		
E. T. Trust	9½%		
Exeter Trust Ltd.	10 %		
First Nat. Fin. Corp.	11 %		
First Nat. Secs. Ltd.	10½%		
Robert Fraser	10 %		
Grindlays Bank	‡9 %		
■ Guinness Mahon	9 %		

■ Members of the Accepting Houses Committee. * 7-day deposits 5.5%. 1-month 6%. Fixed rate 12 months £2,500 9%. £25,000 12 months 9.5%. † 7-day deposits on sums of: under £10,000 5½%, £10,000 up to £50,000 6¼%, £50,000 and over 7½%. ‡ Call deposits £1,000 and over 5½%. § 21-day deposits over £1,000 6½%. ¶ Demand deposits 5½%. ‖ Mortgage base rate.

FINANCIAL TIMES
Thursday January 26 1984

Threat to aid for Europe's poorest farmers, Page 42

WALL STREET

Advance fuelled by Shell

THE MOVE by Royal Dutch/Shell to acquire the outstanding equity in its U.S. subsidiary, Shell Oil, sparked off a general round of buying in Wall Street's oil sector yesterday and helped fuel a rally throughout the industrial stock market, *writes Terry Byland in New York.*

The $5.2bn offer by the Anglo-Dutch oil major tied in with investors' belief that oil prices may have bottomed out and may rise this year as the industrial recovery forges ahead.

The activity in oil stocks flowed through into other sectors of the stock market but gains in industrial issues were modest. At 2pm, the Dow Jones industrial average showed a rise of 2.51 to 1,245.39 after five consecutive sessions of losses.

Turnover in Shell Oil increased after confirmation by Royal Dutch that the deal will take the form of a cash merger, as distinct from a cash tender offer. Shell stock jumped $2⅜ to $56¼.

Royal Dutch gained $2 to $51⅞ on brisk turnover. Atlantic Richfield, spurred by its Alaskan interests, jumped $1¼ to $46½ helped also by trading results. Exxon, the world leader, gained $¾ to $39¾.

Among stocks considered likely takeover targets, Unocal added a further $⅞ to $37⅞ while Amerada Hess at $33⅞ put on $⅝ on good turnover.

IBM edged forward again, adding $⅞ to $117⅞ and other firm spots in technology issues were Honeywell, $2½ better at $123¾, Digital Equipment $1¼ up at $90⅞ and Teledyne, $⅝ higher at $169⅛.

Among the day's crop of corporate reporters, Union Pacific added $1 to $50⅝.

On the American Stock Exchange, Wang Laboratories slipped $2 to $31⅜ but Tie Communications, a weak spot recently, added $1 to $24.

AT&T eased slightly, shedding $⅛ to $18⅝ and remaining at the head of the market's list of active stocks. Merrill Lynch, the market's leading securities house, lost a further $⅝ to $30⅝ on renewed consideration of the loss reported for the last trading quarter.

Airline issues opened firmly as the quarterly reporting season drew nigh. But this sector weakened together with the rest of the industrial side as buyers turned more cautious towards the middle of the day.

Analysts drew attention to the fall in durable goods orders for last month reported by the Commerce Department. The 1.1 per cent fall was the first decline in orders since July and this brought a check in capital goods issues. However, the sector steadied after Mr Malcolm Baldrige, Commerce Secretary, pointed out that the slippage in December orders largely reflected changes in defence items.

Credit markets continued to trade very quietly although the modest rise in consumer prices reported for December was regarded as a bull point. Dealers commented that investors are now unwilling to take up new positions before next week when the market expects to learn details of the next round of Treasury funding.

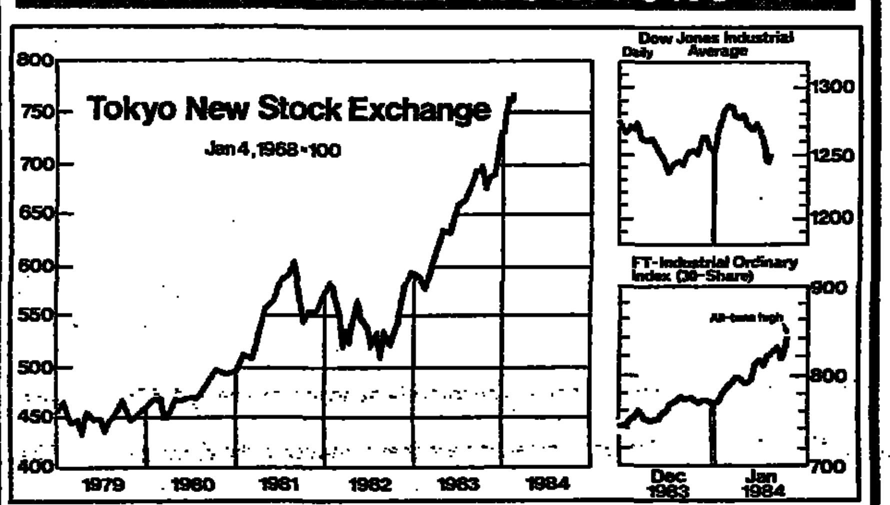
Treasury bill rates remained more or less at overnight levels as demand for commercial credit in the money markets abated somewhat.

Three-month bills were discounted at 8.92 per cent and six-month at 9 per cent.

In the longer dated government bond market, the key 12 per cent of 2013, traded at 102¹⁷⁄₃₂, about ⅛ down and yielding 11.72 per cent.

Corporate bonds tended to slip lower in reduced activity. Turnover has been slowly increasing in this sector but dealers commented that the emphasis remains on short-term funding. Municipal issues managed to edge higher.

KEY MARKET MONITORS



STOCK MARKET INDICES

	Jan 25	Previous	Year ago
NEW YORK			
DJ Industrials	1245.39*	1242.88	1042.03
DJ Transport	582.12*	585.29	449.73
DJ Utilities	132.90*	131.60	123.80
S&P Composite	166.39*	165.94	141.74
LONDON			
FT Ind Ord	840.50	824.90	614.40
FT-A All-share	504.18	496.66	390.00
FT-A 500	539.32	430.99	423.82
FT-A Ind	491.98	486.18	396.43
FT Gold mines	528.10	524.90	627.30
FT Govt secs	82.87	82.91	77.55
TOKYO			
Nikkei-Dow	10,115.10	10,022.92	7803.18
Tokyo SE	768.64	760.93	574.51
AUSTRALIA			
All Ord.	766.30	771.60	528.50
Metals & Mins.	519.30	529.00	463.90
AUSTRIA			
Credit Aktien	55.48	55.45	49.72
BELGIUM			
Belgian SE	147.86	145.90	105.03
CANADA			
Toronto Composite	2523.4 *	2526.20	1987.30
Montreal Industrials	437.81*	441.10	341.19
Combined	422.67*	424.83	328.16
DENMARK			
Copenhagen SE	222.80	223.62	103.20
FRANCE			
CAC Gen	175.10	171.80	103.20
Ind. Tendance	114.70	112.00	63.00
WEST GERMANY			
FAZ-Aktien	364.19	360.78	241.89
Commerzbank	1075.50	1065.60	727.90
HONG KONG			
Hang Seng	1041.88	1035.28	888.45
ITALY			
Banca Comm.	217.53	217.68	180.66
NETHERLANDS			
ANP-CBS Gen	173.00	170.00	102.50
ANP-CBS Ind	143.10	142.00	87.90
NORWAY			
Oslo SE	243.78	239.74	114.94
SINGAPORE			
Straits Times	1034.98	1039.56	756.30
SOUTH AFRICA			
Golds	795.3	810.90	1003.40
Industrials	962.6	967.80	818.00
SPAIN			
Madrid SE	109.25	109.00	85.32
SWEDEN			
J & P.	1525.99	1537.25	987.37
SWITZERLAND			
Swiss Bank Ind	380.90	378.00	296.00
WORLD	Jan 24	Prev	Yr ago
Capital Int'l	185.40	185.40	154.90

GOLD (per ounce)

	Jan 25	Prev
London	$368.625	$365.125
Frankfurt	$366.50	$365.25
Zürich	$368.75	$365.25
Paris (fixing)	$367.15	$364.88
Luxembourg (fixing)	$369.00	$364.75
New York (Jan)	$367.20	$368.50

* Latest available figure

CURRENCIES

	U.S. DOLLAR		STERLING	
(London)	Jan 25	Previous	Jan 25	Previous
$	—	—	1.4025	1.4010
DM	2.8210	2.8210	3.96	3.9550
Yen	234.15	234.25	328.50	328.50
FFr	8.6200	8.6250	12.09	12.08
SwFr	2.2415	2.2440	3.1450	3.1450
Guilder	3.1750	3.1755	4.4550	4.45
Lira	1713.50	1717	2402.50	2405
BFr	57.54	57.64	80.70	80.75
C$	1.24775	1.24775	1.795	1.7470

INTEREST RATES

	Jan 25	Prev
Euro-currencies (offered rate)		
£	9¾	9¾
SwFr	3⅝	3¹¹⁄₁₆
DM	6	6
FFr	13⅛	13⅛
FT London Interbank fixing (offered rate)		
3-month U.S.$	9⅞	9¾
6-month U.S.$	10	10¹⁄₁₆
U.S. Fed Funds	9¹¹⁄₁₆*	9⅝
U.S. 3-month CDs	9.35*	9.40
U.S. 3-month T-bills	8.92*	8.91

U.S. BONDS

Treasury	Jan 25* Price	Yield	Prev Price	Yield
10⅞ 1985	100¹⁵⁄₃₂	10.81	100¹³⁄₃₂	10.59
11⅞ 1991	101	11.54	101 ⅛	11.52
11.75 1993	100²³⁄₃₂	11.63	100²⁹⁄₃₂	11.60
12 2013	102¹⁷⁄₃₂	11.71	102¹⁷⁄₃₂	11.69
Corporate	Jan 25* Price	Yield	Prev Price	Yield
AT & T				
10⅞ June 1990	93¾	11.80	93¾	11.80
3⅞ July 1990	68⅝	10.75	68⅝	10.75
8⅝ May 2000	75⅞	12.20	75⅞	12.20
Xerox				
10⅞ March 1993	92⅛	12.00	92⅛	12.00
Diamond Shamrock				
10⅞ May 1993	91⅝	12.10	91⅝	12.10
Federated Dept Stores				
10⅞ May 2013	86	12.40	86	12.40
Abbot Lab				
11.80 Feb 2013	95⅛	12.40	95⅛	12.40
Alcoa				
12¼ Dec 2012	96	12.80	96	12.80

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
March	71-03	71-10	70-31	71-07
U.S. Treasury Bills (IMM) $1m points of 100%				
March	91.01	91.02	90.97	91.00
Certificates of Deposit (IMM) $1m points of 100%				
March	90.37	90.45	90.32	90.34
LONDON				
Three-month Eurodollar $1m points of 100%				
March	90.16	90.20	90.13	90.15
20-year Notional Gilt £50,000 32nds of 100%				
March	108-12	108-31	108-12	108-27

COMMODITIES

(London)	Jan 25	Prev
Silver (spot fixing)	576.85p	569.80p
Copper (cash)	£971.75	£963.75
Coffee (Jan)	£2085.00	£2077.50
Oil (spot Arabian light)	$28.65	$28.67

TOKYO

Blue chips build up fresh steam

AFTER losing steam for three trading days, stock prices staged a sharp rally in Tokyo yesterday under the lead of blue chips, *writes Shigeo Nishiwaki of Jiji Press.*

TDK jumped on an expected rapid recovery in its business performance, prodding investors actively to buy other leading blue chips.

The Nikkei-Dow Jones average of 225 select issues, which had narrowly maintained the 10,000 level on Tuesday, rose by 92.18 points to 10,115.10.

Trading volume increased to 390.61m shares from the previous day's 323.5m. Gains outnumbered losses 431 to 323, with 144 issues unchanged.

Market activity had been quiet in the past three sessions on investor concern that stock prices have been rising at too fast a pace. There were also unfavourable factors, such as a steep increase in the balance of margin purchases and the weak undertone on Wall Street.

However, many technical indicators indicated the market had reached bottom, spawning a swift recovery in buying interest.

On top of this, TDK announced that it would register double-digit increases in both sales and profits in the current business year, which ends in November, thanks to a recovery in the video cassette recorder market. TDK spurted Y430 to Y6,090.

Bolstered by TKD's steep rise, buying interest fastened on other leading blue chips. Fuji Photo Film jumped Y180 to Y2,280 on speculation that easing silver prices on the overseas market could help cut the company's costs. Konishiroku Photo Industry went up Y28 to Y696.

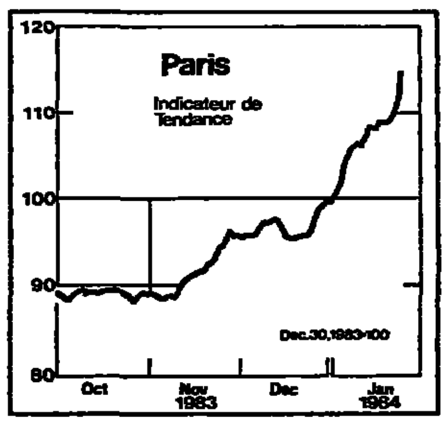
Taisho Pharmaceutical attracted substantial buy orders to register a limit gain for the day of Y105 at Y1,030, leading *other drugs to firm.* Dainippon Pharmaceutical leaped Y100 to Y3,200 and Kaken Pharmaceutical the same amount to Y1,870.

Electric powers and gases were also traded actively, with Tokyo Electric Power rising Y30 to Y1,300 and Tokyo Gas Y7 to Y179.

Mitsubishi Oil continued to move erratically as varying rumours were rife on the fate of the 50 per cent of its outstanding shares held by Getty Oil of the U.S. amid a proposed takeover by Texaco. Mitsubishi Oil, which rose Y15 at one point, came under selling pressure later, closing the day at Y528, off Y22.

Dowa Mining rose Y38 to Y601 on rumours of a promising gold strike.

The bond market increasingly became inactive. The yield on the benchmark 7.5 per cent long-term government bonds, due in January 1993, dropped slightly to 7.435 per cent from Tuesday's 7.44 per cent.



LONDON

Equities continue record run

IMPRESSIVE December balance of trade returns came as a fitting climax to another buoyant session in London equity markets yesterday as the FT Industrial Ordinary share index rose 15.6 to close at 840.5, another record, while the FT-Actuaries All-Share index surpassed 500 for the first time to finish up 1.5 per cent at 504.18. Sentiment was underpinned by continuing takeover activity.

Royal Dutch/Shell's U.S. activities sparked off a wave of speculative buying for other oils long considered possible bid targets and sizeable gains ensued. Shell returned from Tuesday's brief suspension to trade actively and close at 660p, against the suspension price of 623p. Similarly, Royal Dutch also resumed trading and ended at £36⅛, compared with Tuesday's £34.

American investors again bought selected leaders. Grand Metropolitan, although an absentee from U.S. buy lists, still advanced 21p to 363p. Engineering majors remained popular on recovery hopes.

Two new bids materialised yesterday, Bassett Foods racing up 64p to 163p on the 145p per share bid from Avana and Stylo moving up sharply in response to the awaited bid from Harris Queensway. *Details, Page 37; Share Information Services, Pages 38–39*

AUSTRALIA

METAL MINING issues continued their Sydney decline as the underlying commodity values remained dull, but hectic activity developed in oil stocks, with interest in the Turtle One well in the Bonaparte Gulf on news of a find there.

The exception to these was the diversified Western Mining, which eased 3 cents to A$4.05. Huge gains were made by others like Canada Northwest Australia, up 32 cents to reach 75 cents; Home Energy, 38 cents to A$1.50; and Cultus Pacific, 8 cents to stand at 34 cents.

BHP reflected the broader trend with a 10 cent dip at A$13.50, after A$13.45.

HONG KONG

RESISTANCE was encountered in Hong Kong to any sharp mark-ups, although the tone remained positive and volume strong. The Hang Seng index managed a 6.60 rise to 1,041.88.

Vigorous two-way trading left Cheung Kong 25 cents better at HK$9.40 and Jardine Matheson steady at HK$13.30.

A weak banking sector showed Bank of East Asia off 50 cents at HK$23.10.

SINGAPORE

VOLUME picked up slightly as Singapore continued its modest downward correction, leaving the Straits Times industrial index 4.58 lower at 1,034.98.

Two moving against the flow were Promet, the day's most active, which added 6 cents at S$4.30, and DBS in banks, 10 cents up at S$10.40. But L&M shed 22 cents to S$4.16 on a reported sale of holdings by two directors, and Malayan Cement dipped 15 cents to S$9.60.

SOUTH AFRICA

FIRMNESS in bullion prices enabled Johannesburg to stage a turnround yesterday as most gold shares improved.

Buffels recovered R1.45 of the previous session's loss to finish at R57.25, while Anglo-American Gold added R2.50 to R129.50. In stronger platinums, Rustenburg's interim result finally added 20 cents to finish at R12.95.

Industrial and retail issues tended to steady following the upset of an increase in VAT to 7 per cent.

CANADA

SMALL GAINS in Toronto helped offset the recent erosion of share prices. Oils and property related issues led the advance.

Industrials in Montreal emerged a weak spot as papers and utilities firmed. Banks renewed their downward drift however.

EUROPE

Once more the direction is upward

A HALT was called yesterday to the brief and modest downward corrections which had developed on the European bourses over the past few days, as a pause in the dollar's forward march was taken as encouragement in the absence of any decisive lead being signalled by Wall Street stocks.

Paris, which had least felt the need to consolidate, continued powerfully upward as funds remained abundant on the second day of the new account. Buying, which reached such levels that it took half an hour after the close to clear the backlog, extended to all sectors.

The *Indicateur de Tendence* put on 2.7 to 114.7 compared with a re-basing at the start of the year to 100.

The day's best gain was accorded to Schneider, FFr 15 stronger at FFr 120, while Creusot Loire jumped a further FFr 4.20 to FFr 57.20 after a rise of the same amount on Tuesday.

Two exceptions to the buoyant day for the bourses were to be found in Scandinavia. **Stockholm** had to contend with a central bank reiteration of its cautious stance on interest rates, although speculation continued that it might cut the 8.5 per cent discount rate at its meeting today, and also that a revaluation of the krona might be in prospect.

Copenhagen was unsettled amid a parliamentary clash over the validity of a constituency result in the Danish election on January 10. Danske Bank slipped DKr 7 to DKr 356 but Superfos managed a DKr 10 rise at DKr 539. **Oslo** traded strongly.

Royal Dutch was the star **Amsterdam** performer, up Fl 9.70 to Fl 160.90 on its U.S. plans, but it was by no means the only issue there to achieve an impressive increase during a busy day. Banks showed ABN Fl 10 higher at FL 435 while brewer Heineken improved Fl 5 to Fl 148.80.

Hectic **Frankfurt** business took the Commerzbank index again into uncharted territory, 9.9 higher at 1,075.5. Demand extended widely enough to embrace steelmaker Thyssen, DM 3.50 ahead at DM 92.50; Siemens in electricals, DM 2.60 firmer at DM 388.60 as it announced a maintained dividend; and Commerzbank itself, adding DM 5.60 to DM 182.50.

A quiet and barely steady bond market led the Bundesbank to sell DM 1.3m in paper.

Activity in oil issues worldwide extended to Petrofina in **Brussels**, where it gained BFr 80 to BFr 6,980. In a busy day of buying all round, Arbed put on BFr 52 to BFr 1,430 as it received clearance to raise more funds.

Chemicals fared well as **Zurich** staged a muted rally: contract accords with the industry's unions helped Hoffmann-La Roche SwFr 125 upward at SwFr 10,525.

Fiat was to the fore in an upward **Milan** move, L40 ahead at L3,860 on news of good car revenues. Centrale also shone with a L46 advance to L1,651, while bonds were steady.

Madrid staged a cautious but uniform rally.

Prices at 3pm, January 25

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
18 5/8	8 5/8	AAR	.44	2.4	22	285	18 1/4	18	18	− 1/8
62 1/8	30 1/2	ACF	1.40	3.2	208	1658	44 1/8	42 1/4	43 1/4	+ 7/8
22	18 1/4	AMCA	n			8	20 1/4	20 1/4	20 1/4	+ 1/4
18 7/8	14 1/4	AMF	.50	3.1		354	16 1/8	15 7/8	16 1/8	+ 1/8
41 1/4	18 1/2	AMR Cp			18	5281	38	37	37	− 1/8
19 3/4	16 1/2	AMR	pf2.18	11.		43	19 7/8	19 1/2	19 7/8	+ 1/4
41 1/2	24 7/8	AMR	pf2.13	5.6		51	38 1/2	38 1/4	38 1/8	+ 1/8
26 1/4	23 7/8	ANR	pf2.67	11.		5	24 1/2	24 1/8	24 1/2	− 1/4
16 3/4	3 1/8	APL			20	25	13 1/2	13 1/2	13 1/2	+ 1/8
55 1/4	33 1/4	ARA	2.05	4.0	11	447	52 1/2	51 1/4	51 1/4	−1 1/4
79 3/4	50 1/4	ASA	3a	5.5		79	55	54 1/2	54 3/4	
33 3/4	14 5/8	AVX	s .32	1.2	39	241	26 1/4	25	26	+ 1 1/8
63 7/8	36 7/8	AbtLab	1	2.2	16	2737	45 1/2	44 7/8	44 7/8	+ 1/4
30 1/4	23 1/4	AccoW	n .60	2.1	21	215	29	28 1/4	29	+ 1
27 1/2	17 1/8	AcmeC	.40	1.5		264	27	26 7/8	27	
14 3/8	8 7/8	AcmeE	.32b	2.6	77	29	12 1/2	12 1/4	12 1/4	+ 1/8
24 7/8	8 1/4	AdmDg	.04	.2	13	16	17	16 1/2	16 7/8	− 1/2
18 1/4	15	AdaEx	2.11e	13.		56	16 7/8	16 5/8	16 3/4	
19 3/4	7 1/4	AdmMl	.24	1.4	8	22	17	16 7/8	17	+ 1/8
16 7/8	8 1/4	Advest	.12	1.0	10	77	11 3/4	11 3/4	11 1/2	+ 1/8
37 1/2	15 1/2	AMD	s		42	1442	35	34 1/8	34 1/2	− 1/2
24 5/8	13 1/8	Aerflx	s		16	33	15 1/4	15 1/4	15 1/4	
45 1/2	32 5/8	AetnLf	2.64	7.3	9	2033	36 1/8	35 1/4	36	
65	55 1/4	AetL	pf5.09e	8.9		15	57	56 7/8	56 7/8	+ 1/4
40 1/2	22 1/2	Ahmns	1.20	3.6	9	186	33 3/4	33	33 1/8	+ 1/4
7 1/8	3	Aileen				16	4 7/8	4 3/4	4 3/4	
51	37 1/4	AirPrd	1	2.2	13	909	45 1/2	44 1/4	45	+ 1/4
30 7/8	17	AirbFrt	.60	2.1	23	333	28 1/4	28 1/8	28 1/8	− 1/8
[illegible]										

Continued on Page 35

AMERICAN STOCK EXCHANGE COMPOSITE PRICES

Prices at 3pm, January 25

12 Month High	Low	Stock	Div.	Yld.	P/ E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
4¼	2⅞	AlCPh				2	3	3	3	
6⅞	1¾	ATI				178	2	1⅞	2	+¼
12¼	3½	AcmePr			37	7	6¼	6¼	6¼	
19½	12¼	AcmeU	s.32	2.1	17	2	15⅜	15¼	15⅜	−⅛
14¾	6⅞	Action	.6		9	108	13⅞	13⅝	13⅞	−¼
12	6⅛	Actons	1t	13.	28	84	8	7¾	7⅞	+¼
6½	1½	Actn wt				2	2⅜	2⅜	2⅜	+½
8	1⅞	AdmRs				1	3¼	3¼	3¼	+⅛
30⅞	21⅛	AdRusl	a.10	.5	13	34	21⅝	d21¼	21¼	−⅝
28⅞	15	Adobe	.24	1.1	15	164	22¼	21½	21⅞	−⅛
5¼	2¼	AegisCp			14	45	4⅛	4	4	−⅛
7	4	Aeroflx			8	88	6	5¾	5⅞	
32½	17⅞	AlliHap	.35	1.5	10	4	23¾	23¼	23¼	+¼
45	28⅜	AlbPb	a.64	1.5	17	15	44	43¾	44	
17½	6¼	AltSw	.06e	.5	9	48	12	11⅞	11⅞	+⅛
15½	5⅜	AirExp				7	6⅜	6¼	6¼	
6⅞	4	Alamc	n		9	25	5	5	5	+⅛
23⅜	8⅞	AlbaW	.15e	1.1	8	17	13¾	13½	13¾	+¼
10½	6¾	AlohaA	.48r	5.9		12	8¼	8⅛	8⅛	+⅛
28¼	17½	Alphain	.05	.3	24	32	19	18¼	18¼	−⅞
2⅞	1¼	Altex				388	1½	1⅜	1⅜	
11-16	1-16	Altex wt				41	⅜	⅜	⅜	+1-16
32½	14¼	AlzaCp				53	17⅛	16⅞	16⅞	
29⅞	15	Amdhl	s.20	1.0	30	538	19⅜	18¾	19⅛	
25⅞	7½	Amedco	.08	.5	20	88	16⅞	16½	16⅝	+⅛
8⅜	2	AmCap			15	4294	u9⅜	8½	9¼	+⅝
39	27	AContrl	.92	2.9	10	10	32	31¾	32	+½
44¾	18¼	AExp wt				75	19½	18⅞	19	−¾
12⅞	6¾	AIsrael			2	17	6¼	6¼	6¼	

Continued on Page 36

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Continued from Page 34

12 Month High	Low	Stock	Div.	Yld.	P/ E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
38⅜	22⅞	Wolwth	1.80	5.2	10	265	35⅛	34	34⅝	+½
7⅛	2⅞	WrldAr				26	5¼	5	5⅛	+⅛
57¼	39⅜	Wrigly	1.44a	2.7	11	8	53½	53⅜	53½	−¼
8⅞	3½	Wurltzr				149	7⅞	7½	7⅞	+⅛
25½	9	WyleLb	.24	1.2	32	357	20¼	20⅛	20¼	+¼
17⅞	9¾	Wyly				185	11	10⅞	11	
22⅜	14	Wynns	.60	3.0	17	12	20	19¾	19¾	
		X-Y-Z								
52⅛	35	Xerox	3	6.2	11	2587	49¼	48⅜	48¾	
53½	47⅞	Xerox pf	5.45	11.		146	49⅝	49½	49⅝	−⅛
37	19¼	XTRA	1	9	22	80	33¼	32½	33	+¼
21⅞	14¼	Zapata	.84	4.3	8	983	19⅝	19¼	19½	+¼
52¼	28⅛	Zayre	s.30	.8	12	353	37½	37	37¼	+⅜
38⅝	13⅜	ZenithR			43	463	36½	36	36¼	+¼
27⅞	14⅜	Zero	s.36	1.4	22	9	24⅝	24⅜	24⅜	−⅛
37⅛	24¼	Zurnin	1.32	4.6	13	245	29	28½	28⅝	+⅝

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a—dividend also extra(s). b—annual rate of dividend plus stock dividend. c—liquidating dividend. cld—called. d—new yearly low. e—dividend declared or paid in preceding 12 months. g—dividend in Canadian funds, subject to 15% non-residence tax. i—dividend declared after split-up or stock dividend. j—dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k—dividend declared or paid this year, an accumulative issue with dividends in arrears. n—new issue in the past 52 weeks. The high-low range begins with the start of trading. nd—next day delivery. P/E—price-earnings ratio. r—dividend declared or paid in preceding 12 months, plus stock dividend. s—stock split. Dividends begins with date of split. sls—sales. t—dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u—new yearly high. v—trading halted. vi—in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd—when distributed. wi—when issued. ww—with warrants. x—ex-dividend or ex-rights. xdis—ex-distribution. xw—without warrants. y—ex-dividend and sales in full. yld—yield. z—sales in full.

WORLD STOCK MARKETS

AMERICAN STOCK EXCHANGE PRICES

Continued from Page 35

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close	Ch'ge Prev. Close
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CANADA

Stock	Jan. 24	Jan. 25
AMCA Intl	26⅜	26
Abitibi	26½	26½
Agnico Eagle	15¾	15¾
Alberta Energy	19	19¼
Alcan Aluminium	45¼	46
Algoma Steel	29⅝	29⅜
Asbestos	10⅛	10⅛
Bank Montreal	28	28
Bank NovaScotia	14⅜	14½
Bell Canada	31½	31¾
Bombardier	18⅛	18½
Bow Valley	24⅛	24¼
BP Canada Res	23¼	23
Brascan A	40⅝	40¾
Brinco	2.85	2.93
B.C. Forest	13¾	14⅛
CIL Inc	33	32¾
CadillacFairview	11	10¾
Campbell Red Lk	30¾	30½
Can. Cement Pf	15⅞	16¼
Can. NW Energy	32½	31⅞
Can. Packers	29½	29¾
Can. Trustco	49	48¾
Can.Imp.Bank	30⅝	30⅝
Can. Pacific	51⅞	51¾
Can. Pac. Ents	24¾	24¾
Can. Tire A	12½	12¾
Carling O'Kfe	22¼	22½
Chieftain	16	15⅞
Cominco	60¾	61½
Cons. Bathst. A	28¾	29
Copper Lake	2.15	2.25
Coseka Res	4.00	4.05
Costain	10⅝	10⅝
Denison Mines	44⅞	45
Dofasco	20⅛	20¼
Dome Mines	15½	15½
Dome Petroleum	4.00	4.05
Dominion Strs	19⅛	19⅛
Domtar	34½	34¾
Falconbridge	71½	72¼
Genstar	28⅜	28¼
Giant Y'knife	21¼	21
Gt. West Life	2.75	2.75
Gulf Canada	17⅛	17⅝
Hawker Sid. Can.	19⅝	19⅜
Hudson's Bay	23⅝	23¾
Husky Oil	10⅛	10⅜
Imasco	34¾	34⅞
Imperial Oil A	36¼	36⅝
Inco	17⅝	17¾
Indal	13⅛	13½
Int. Pipe	30½	30½
LAC Minerals	30⅛	30
Macmil. Bloedel	33¼	33½
Marks & Spencer	15¼	15¼
Massey Ferguson	6⅛	6⅛
McIntyre Mines	35¾	36
Mitel Corpn	18¼	18⅝
Molson A	22	21⅞
Moore Corp	52⅛	52¼
Nat. Sea Prods A	6¼	6¼
Noranda Mines	26	26¾
Norcen Energy	17½	17⅝
Nth. Telecom	47¼	47½
Nova Alberta	7	7¼
Numac Oil	13⅝	14
Oakwood Pet	9	9⅛
Pan Can Pet	23½	24
Patino	9½	9½
Placer Dev	21½	21⅝
Power Corp	21	21¼
QuebecSturgeon	7⅜	7½
Ranger Oil	12¾	12⅝
Reed Stenhs A	12¼	12¼
Rio Algom	17½	18
Royal Bank	33⅞	34
Royal Trust A	29⅛	29¼
Sceptre Res	5⅛	5⅝
Seagram	45⅜	45⅞
Shell Canada Oil	25¼	24⅝
Simpson Sears A	10	10⅛
Stelco	31⅞	32½
Teck B	10⅝	10½
Texaco Canada	40	40⅛
Thomson NewsA	39¾	40
Toronto DomBk	16⅝	16¾
Transalta	22⅛	22⅝
Trans Can Pipe	30⅝	31⅛
Walker Hiram	27⅝	28⅛
Westcoast Tran	15⅝	15⅝
Weston (Geo)	67½	67⅝

DENMARK

Jan. 25	Price Kr. %	+ or −
Aarhus Olie	477	
Andelsbanken	343	−10
Baltic Skand	680	
CopHandelsbank	324	
D. Sukkerfab	615	
Danske Bank	356	−7
East Asiatic	201	−2
Forenede Brygg	1,236	
Forenede Damp	195	+5
GNT Hldg	680	
I.S.S.B.	695	−5
Jyske Bank	740	−5
Novo Ind	2,920	
Privatbanken	348	−7
Provinsbanken	370	+7
Smidth (F.)	290	+4
Sophus Berend	1,355	+5
Superfos	539	+10

FRANCE

Jan. 25	Price Frs.	+ or −
Emprunt 4½% 1973	1,842	+11
Emprunt 7% 1973	9,144	−31
CNE 3%	3,250	+5
Air Liquide	576	+6
BIC	451xc	+24
Bouygues	836	+7
BSN Gervais	2,880	+35
CIT-Alcatel	1,465	+30
Carrefour	1,533	+45
Club Mediter'n	834	+19
CFAO	585	−8
Cie Bancaire	509	+15
Cofimeg	222.1	−6.8
Creusot Loire	57.2	+4.2
Darty	917	+22
Dumez	841	+48
Eaux (Cie Gen)	560	−10
Elf-Aquitaine	207	+4
Gen. Occidentale	688	+17
Imetal	87.3	+3.3
Lafarge Coppee	335	+6
L'oreal	2,420	+21
Legrand	2,340	+100
Maisons Phenix	357	+2.5
Matra	2,000	+100
Michelin B	1,084	+54
Midi (Cie)	1,491	−10
Moet-Hennessy	1,510	−13
Moulinex	111.5	+3.5
Nord Est	56.2	+3.2
Pernod Ricard	813	+18
Perrier	574	+15
Petroles Fra	216	+3.5
Peugeot S.A	256	+2.5
Poclain	74	+4
Printemps Au	164.7	+6.2
Radiotech	404	+10
Redoute	1,250	+5
Roussel-Uclaf	893	+15
Schneider	120	+15
Sefimeg	260.1	−8.9
Skis Rossignol	1,520	+100
Telemech Elect	1,610	+58
Thompson (CSF)	315	
Valeo	348	−3.5

GERMANY

Jan. 25	Price Dm.	+ or −
AEG-Telef	94.3	+0.4
Allianz Vers	823	+10
BASF	176.7	+2.8
Bayer	184.5	+4.2
Bayer-Hypo	300	+2
Bayer-Verein	344	+6
BHF-Bank	300	+2
BMW	429.8	+6.8
Brown Boveri	234	+5
Commerzbank	182.5	+5.6
Cont'l. Gummi	135	+5.7
Daimler-Benz	631xr	+2
Degussa	379	+5
Demag	146	
D'sche Babcock	192	+3.5
Deutsche Bank	376.5	+3.5
Dresdner Bank	178.5	+2.7
GHH	159.6	+1.1
Hochtief	488	
Hoechst	195	+2.1
Hoesch Werke	126	+3.8
Holzmann (P)	439	
Horten	189	+3.5
Kali und Salz	221	+1.2
Karstadt	282	+11
Kaufhof	268	+4
KHD	272	+2.5
Kloeckner	56.7	+0.9
Krupp	84	+1
Linde	405.5	+5.5
Lufthansa	163	+5
MAN	144	+3
Mannesmann	146.8	+1
Mercedes Hld	545	+6
Metallgesell	229	+4
Muench Rueck	1350	+70
Preussag	283.5	+8.5
Rhein West Elect	188.8	+5.3
Rosenthal	285	+2
Schering	380	+5
Siemens	388.6	+2.6
Thyssen	92.5	+3.5
Varta	182	+0.8
Veba	175.3	+3.3
V.E.W	127.1	+0.6
Verein-West	314	+2
Volkswagen	222.7	+1.2

ITALY

Jan. 25	Price Lire	+ or −
Banca Com'le	35,800	+550
Bastogi-IRBS	168	−0.2
Centrale	1,651	+46
Credito Varesino	4,850	−49
Fiat	3,860	+40
Finsider	47	
Generale (Assic)	37,850xc	+10
Invest	3,401	
Italcementi	44,280	+300
Montedison	240.4	+1.4
Olivetti	4,122	+7
Pirelli Co	3,290	+15
Pirelli Spa	1,789	+14
Snia BPD	1,580	+45
Toro Assic.	13,970	+69
do. Pref	10,820	−79

NETHERLANDS

Jan. 25	Price Fls	+ or −
ACF Holding	202	
Aegon	138.5	+2.5
Ahold	235	+3
AKZO	109.6	+1.4
ABN	435	+10
AMEV	180	−1.2
AMRO	81	+5.1
Bredero Cert	215.8	+0.5
Boskalis Westm	50	+2
Buehrmann-Tet	67	+0.2
Calland Hldgs	40	+1
Credit Lyon'is Bk	64.9	+1.4
Elsevier-NDU nv	590	+20
Gist. Brocades	179	−0.5
Heineken	148.8	+5
Hoogovens	56	
Hunter Douglas	25.4	+0.5
Int-Mueller	36.5	+1.5
KLM	222	+6.7
Naarden	46.1	
Nat Ned Cert	234	+4.7
Ned.Credit Bank	38.6	
Ned Mid Bank	182	+5.5
Nedlloyd	126.5	+0.5
Oce Grinten	264.7	+0.2
Ommeren (Van)	32.3	−0.2
Pakhoed	76.5	+2.5
Philips	48.3	+1.3
Rijn-Schelde	4.2	−0.1
Robeco	349	+3
Rodamco	130.8	+0.1
Rolinco	335.2	+2.7
Rorento	203.8	−0.5
Royal Dutch	160.9	+9.7
Unilever	274.3	+1.8
VMF Stork	116	+1
VNU	169.5	+5.8
West Utr Bank	137.2	−2.5

NORWAY

Jan. 25	Price Kroner	+ or −
Bergens Bank	163	−2
Borregaard	230	+2
Christiania Bk	158	
Den Norsk Credit	168.5	
Elkem	140	+3.5
Norsk Data	311	+3.5
Norsk Hydro	577	+17
Storebrand	200	+1

SPAIN

Jan. 25	Price Pta%	+ or −
Bco Bilbao	273	−2
Bco Central	325	+2
Bco Exterior	200	
Bco Hispano	226	−2
Bco Santander	282	+1
Bco Vizcaya	346	+5
Dragados	121	+1
Hidrola	45.5	−0.2
Iberduero	43.7	+0.7
Petroleos	105	
Telefonica	71.5	

SWEDEN

Jan. 25	Price Kronor	+ or −
AGA	380	+2
Alfa-Laval	281	−2
ASEA (Free)	460	−15
Astra (Free)	665	
Atlas Copco	138	+1
Boliden	390	−8
Cardo (Free)	470	−5
Cellulosa (Free)	171	−4
Electrolux B	271	−4
Ericsson	379	−2
Esselte (Free)	325	−15
Mo Och Domsjo	440	−10
Pharmacia (Free)	321	−17
Saab-Scania	331	
Sandvik B (Free)	322	
Skandia	420	+9
Skan Enskilda	324	+3
SKF B	178	−4
St. Kopparbergs	700	−10
Sven Handelsbn	222	
Swedish Match	299	−3
Volvo B (Free)	454	−1

AUSTRIA

Jan. 25	Price Sch%	+ or −
Creditanstalt	213	+3
Goesser	321	+1
Interunfall	410	
Laenderbank	213	+2
Perlmooser	332	+3
Steyr-Daimler	157	
Veitscher Mag	213	−2

BELGIUM/LUXEMBOURG

Jan 25	Price Frs.	+ or −
ARBED	1,450	+52
Banq Int A Lux	5,000	
Bekaert B	4,420	
Ciment CBR	2,295	+90
Cockerill	219	+11
Delhaize	5,300	−30
EBES	2,520	+40
Electrobel	6,500	+30
Fabrique Nat	3,425	+55
GB Inno BM	3,500	−5
GBL (Brux)	2,785	+35
Gevaert	3,250	+110
Hoboken	5,800	
Intercom	1,945xr	+35
Kredietbank	7,020	+20
Pan Hldgs	9,700	+100
Petrofina	6,980	+80
Royale Belge	8,000	
Soc. Gen. Banq	3,240	+60
Soc. Gen. Belge	1,900	+20
Sofina	5,700	+30
Solvay	4,070	+120
Tractionel	3,650	+150
UCB	5,800	+30
Vieille Mont	4,460	+275

SWITZERLAND

Jan. 25	Price Frs.	+ or −
Alusuisse	915	+15
Bank Leu	4,440	+15
Brown Boveri	1,535	+30
Ciba Geigy	2,285	+15
do. (Part Certs)	1,840	+5
Credit Suisse	2,296	+20
Elektrowatt	2,740	
Fischer (Geo.)	735	−4
Genevoise	3,825	
Hoff-Roche PtCts	105,50	+1,125
Hoff-Roche 1/10	10,525	+125
Jacobs Suchard	6,525	+50
Jelmoli	1,885	+25
Landis & Gyr	1,545	−10
Nestle	5,075	+20
Oer-Buehrle	1,490	+25
Pirelli	258.5	−0.5
Sandoz (Br)	7,350	+50
Sandoz (PtCts)	1,165	−10
Schindler (PtCts)	495	+5
Swissair	1,000	+10
Swiss Bank	336	+3
Swiss Reinsce	8,075	−25
Swiss Volksbk	1,545	−5
Union Bank	3,540	+25
Winterthur	3,150	
Zurich Ins	17,500	+100

AUSTRALIA

Jan. 25	Price Aust $	+ or −
ANZ Group	[illegible]	[illegible]
Acrow Aust	[illegible]	[illegible]
Alliance Oil D	[illegible]	[illegible]
Ampol Pet	[illegible]	[illegible]
Aust Cons Ind	[illegible]	[illegible]
Aust. Guarant	[illegible]	[illegible]
Aust. Nat. Inds	[illegible]	[illegible]
Aust. Paper	[illegible]	[illegible]
Bell Group	[illegible]	[illegible]
Bond Corp Hldgs	[illegible]	[illegible]
Boral	[illegible]	[illegible]
B'ville Copper	[illegible]	[illegible]
Brambles Inds	[illegible]	[illegible]
Bridge Oil	[illegible]	[illegible]
BHP	[illegible]	[illegible]
CRA	[illegible]	[illegible]
CSR	[illegible]	[illegible]
Carlton & Utd	[illegible]	[illegible]
Castlemaine Tys	[illegible]	[illegible]
Coles (G.J.)	[illegible]	[illegible]
Comalco	[illegible]	[illegible]
Consolidated Pet	[illegible]	[illegible]
Costain	[illegible]	[illegible]
Dunlop	[illegible]	[illegible]
E.Z. Inds	[illegible]	[illegible]
Elders IXL	[illegible]	[illegible]
Energy Res	[illegible]	[illegible]
Gen Prop Trust	[illegible]	[illegible]
Hardie (J.)	[illegible]	[illegible]
Hartogen Energy	[illegible]	[illegible]
HaraldW'y Times	[illegible]	[illegible]
ICI Aust	[illegible]	[illegible]
Jimb'lana 50cFP	[illegible]	[illegible]
Kiaora Gold	[illegible]	[illegible]
Land Lease	[illegible]	[illegible]
MIM	[illegible]	[illegible]
Mayne Nickless	[illegible]	[illegible]
Meekatharra	[illegible]	[illegible]
Myer Emp	[illegible]	[illegible]
Nat. Com. Bk	[illegible]	[illegible]
News	[illegible]	[illegible]
Nicholas Kiwi	[illegible]	[illegible]
North Bkn Hill	[illegible]	[illegible]
Oakbridge	[illegible]	[illegible]
Otter Expl	[illegible]	[illegible]
Pancon	[illegible]	[illegible]
Pioneer Conc	[illegible]	[illegible]
Reckitt & Coln	[illegible]	[illegible]
Repco	[illegible]	[illegible]
Santos	[illegible]	[illegible]
Smith (H.)	[illegible]	[illegible]
Southland Min'g	[illegible]	[illegible]
Sparges Expl	[illegible]	[illegible]
Thos. Nationwide	[illegible]	[illegible]
Tooth	[illegible]	[illegible]
UMAL Cons	[illegible]	[illegible]
Vamgas	[illegible]	[illegible]
Western Mining	[illegible]	[illegible]
Westpac	[illegible]	[illegible]
Woodside Petrol	[illegible]	[illegible]
Woolworths	[illegible]	[illegible]
Wormald Intl	[illegible]	[illegible]

HONG KONG

Jan. 25	Price H.K.$	+ or −
Bank East Asia	[illegible]	[illegible]
Cheung Kong	[illegible]	[illegible]
China Light	[illegible]	[illegible]
Hang Lung Dev	[illegible]	[illegible]
Hang Seng Bank	[illegible]	[illegible]
HK Electric	[illegible]	[illegible]
HK Kowloon Wh	[illegible]	[illegible]
HK Land	[illegible]	[illegible]
HK Shanghai Bk	[illegible]	[illegible]
HK Telephone	[illegible]	[illegible]
Hutchison Wpa	[illegible]	[illegible]
Jardine Math	[illegible]	[illegible]
New World Dev	[illegible]	[illegible]
Orient O'seas	[illegible]	[illegible]
O'seas Trust Bk	[illegible]	[illegible]
SHK Props	[illegible]	[illegible]
Swire Pac A	[illegible]	[illegible]
Wheel'k Mard A	[illegible]	[illegible]
Wheel'k M'time	[illegible]	[illegible]
World Int. Hldgs	[illegible]	[illegible]

JAPAN

Jan. 25	Price Yen	+ or −
Ajinomoto	[illegible]	[illegible]
Alps Electric	[illegible]	[illegible]
Amada	[illegible]	[illegible]
Asahi Chem	[illegible]	[illegible]
Asahi Glass	[illegible]	[illegible]
Bridgestone	[illegible]	[illegible]
Canon	[illegible]	[illegible]
Casio Comp	[illegible]	[illegible]
Chugai Pharm	[illegible]	[illegible]
Citizen	[illegible]	[illegible]
Daiei	[illegible]	[illegible]
Dai Nippon Ptg	[illegible]	[illegible]
Daiwa House	[illegible]	[illegible]
Ebara	[illegible]	[illegible]
Eisai	[illegible]	[illegible]
Fanuc	[illegible]	[illegible]
Fuji Bank	[illegible]	[illegible]
Fuji Film	[illegible]	[illegible]
Fujisawa	[illegible]	[illegible]
Fujitsu	[illegible]	[illegible]
Green Cross	[illegible]	[illegible]
Hasegawa	[illegible]	[illegible]
Heiwa Real Est	[illegible]	[illegible]
Hitachi	[illegible]	[illegible]
Hitachi Credit	[illegible]	[illegible]
Honda	[illegible]	[illegible]
House Food	[illegible]	[illegible]
Hoya	[illegible]	[illegible]
Itoh (C)	[illegible]	[illegible]
Ito-Yokado	[illegible]	[illegible]
Iwatsu	[illegible]	[illegible]
JACCS	[illegible]	[illegible]
JAL	[illegible]	[illegible]
Jusco	[illegible]	[illegible]
Kajima	[illegible]	[illegible]
Kao Soap	[illegible]	[illegible]
Kashiyama	[illegible]	[illegible]
Kirin	[illegible]	[illegible]
Kokuyo	1,010	+20
Komatsu	510	−5

JAPAN (continued)

Jan. 25	Price Yen	+ or −
Konishiroku	[illegible]	[illegible]
Kubota	[illegible]	[illegible]
Kumagai	[illegible]	[illegible]
Kyoto Ceramic	[illegible]	[illegible]
Maeda Const	[illegible]	[illegible]
Makino Milling	[illegible]	[illegible]
Makita	[illegible]	[illegible]
Marubeni	[illegible]	[illegible]
Marudai	[illegible]	[illegible]
Marui	[illegible]	[illegible]
MEI	[illegible]	[illegible]
M'ta Elec Works	[illegible]	[illegible]
M'bishi Bank	[illegible]	[illegible]
M'bishi Corp	[illegible]	[illegible]
M'bishi Elec	[illegible]	[illegible]
M'bishi Estate	[illegible]	[illegible]
MHI	[illegible]	[illegible]
Mitsui Co	[illegible]	[illegible]
Mitsui Estate	[illegible]	[illegible]
Mitsukoshi	[illegible]	[illegible]
NGK Insulators	[illegible]	[illegible]
Nihon Cement	[illegible]	[illegible]
Nippon Denso	[illegible]	[illegible]
Nippon Elect	[illegible]	[illegible]
Nippon Express	[illegible]	[illegible]
Nippon Gakki	[illegible]	[illegible]
Nippon Kokan	[illegible]	[illegible]
Nippon Oil	[illegible]	[illegible]
Nippon Seiko	[illegible]	[illegible]
Nippon Shimpan	[illegible]	[illegible]
Nippon Steel	[illegible]	[illegible]
Nippon Suisan	[illegible]	[illegible]
NYK	[illegible]	[illegible]
Nippon Yusen	[illegible]	[illegible]
Nissan Motor	[illegible]	[illegible]
Nisshin Flour	[illegible]	[illegible]
Nisshin Steel	[illegible]	[illegible]
Nomura	[illegible]	[illegible]
Olympus	[illegible]	[illegible]
Omron Tateisi	[illegible]	[illegible]
Orient Leasing	[illegible]	[illegible]
Pioneer	[illegible]	[illegible]
Renown	[illegible]	[illegible]
Ricoh	[illegible]	[illegible]
Sanyo Elect	[illegible]	[illegible]
Sapporo	[illegible]	[illegible]
Sekisui Prefab	[illegible]	[illegible]
Sharp	[illegible]	[illegible]
Shimadzu	[illegible]	[illegible]
Shionogi	[illegible]	[illegible]
Shiseido	[illegible]	[illegible]
Sony	[illegible]	[illegible]
Stanley	[illegible]	[illegible]
S'tomo Elect	[illegible]	[illegible]
S'tomo Marine	[illegible]	[illegible]
S'tomo Metal	[illegible]	[illegible]
Taisei Corp	[illegible]	[illegible]
Taisho Pharm	[illegible]	[illegible]
Takeda	[illegible]	[illegible]
TDK	[illegible]	[illegible]
Teijin	[illegible]	[illegible]
Teikoku Oil	[illegible]	[illegible]
Tokyo Marine	[illegible]	[illegible]
TBS	[illegible]	[illegible]
Tokyo Elect Pwr	[illegible]	[illegible]
Tokyo Gas	[illegible]	[illegible]
Tokyo Sanyo	[illegible]	[illegible]
Tokyo Style	[illegible]	[illegible]
Tokyu Corp	[illegible]	[illegible]
Toppan Print	[illegible]	[illegible]
Toray	[illegible]	[illegible]
Toshiba Elect	[illegible]	[illegible]
TOTO	[illegible]	[illegible]
Toyo Seikan	[illegible]	[illegible]
Toyota Motor	[illegible]	[illegible]
Victor	[illegible]	[illegible]
Wacoal	[illegible]	[illegible]
Yamaha	[illegible]	[illegible]
Yamanouchi	[illegible]	[illegible]
Yamazaki	[illegible]	[illegible]
Yasuda Fire	[illegible]	[illegible]
Yokogawa Bdge	[illegible]	[illegible]

SINGAPORE

Jan. 25	Price $	+ or −
Boustead Bhd	[illegible]	[illegible]
Cold Storage	[illegible]	[illegible]
DBS	[illegible]	[illegible]
Fraser & Neave	[illegible]	[illegible]
Genting	[illegible]	[illegible]
Haw Par	[illegible]	[illegible]
Inchcape Bhd	[illegible]	[illegible]
Keppel Shipyard	[illegible]	[illegible]
Malay Banking	[illegible]	[illegible]
Malay Brew	[illegible]	[illegible]
Multi Purpose	[illegible]	[illegible]
OCBC	[illegible]	[illegible]
OUB	[illegible]	[illegible]
Sime Darby	[illegible]	[illegible]
Straits Steamship	[illegible]	[illegible]
Straits Trdg	[illegible]	[illegible]
UOB	[illegible]	[illegible]

SOUTH AFRICA

Jan. 25	Price Rand	+ or −
Abercom	[illegible]	[illegible]
AE & CI	[illegible]	[illegible]
Anglo Am Coal	[illegible]	[illegible]
Anglo Am Corp	[illegible]	[illegible]
Anglo Am Gold	[illegible]	[illegible]
Barclays Bank	[illegible]	[illegible]
Barlow Rand	[illegible]	[illegible]
Buffels	[illegible]	[illegible]
CNA Gallo	[illegible]	[illegible]
Currie Finance	[illegible]	[illegible]
De Beers	[illegible]	[illegible]
Driefontein	[illegible]	[illegible]
FS Geduld	[illegible]	[illegible]
Gold Fields SA	[illegible]	[illegible]
Highveld Steel	[illegible]	[illegible]
Nedbank	[illegible]	[illegible]
OK Bazaars	[illegible]	[illegible]
Protea Hldgs	[illegible]	[illegible]
Rembrandt	[illegible]	[illegible]
Rennies	[illegible]	[illegible]
Rust Plat	[illegible]	[illegible]
Sage Hldgs	[illegible]	[illegible]
SA Brews	[illegible]	[illegible]
Smith (C.G.)	[illegible]	[illegible]
Tongaat Hulett	[illegible]	[illegible]
Unisec	5.2	+0.05

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. ‡ Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

Indices

NEW YORK — DOW JONES

	Jan. 24	Jan. 23	Jan. 20	Jan. 19	Jan. 18	Jan. 17	1983-84 High	1983-84 Low	Since Compil'tn High	Since Compil'tn Low
● Industr'ls	1242.88	1244.45	1259.11	1268.02	1269.37	1271.46	1287.20 (29/11)	1027.04 (3/1/83)	1287.20 (29/11/83)	41.22 (2/7/32)
H'me Bnds	71.28	71.13	71.25	71.24	71.10	71.03	77.84 (6/6)	60.85 (6/6)	—	—
Transport	585.29	587.70	596.45	602.77	603.79	605.05	612.93 (9/1/84)	434.24 (5/1/83)	612.63 (9/1/84)	12.32 (8/7/32)
Utilities	131.80	130.85	130.39	130.82	131.31	131.65	140.70 (31/10)	119.51 (3/1/83)	163.32 (20/4/69)	10.5 (28/4/42)
TradingVol 000's†	103,860	82,010	93,560	98,340	92.75	92.75	—	—	—	—

● Day's high 1251.57 (1259.42) low 1234.61 (1240.05)

	Jan. 20	Jan. 13	Jan. 6	Year ago (approx)
Industrial div. yield %	4.33	4.29	4.23	5.14

STANDARD AND POORS

	Jan. 24	Jan. 23	Jan. 20	Jan. 19	Jan. 18	Jan. 17	1983-84 High	1983-84 Low	Since Compil'tn High	Since Compil'tn Low
Industr'ls	187.22	185.82	187.43	188.3	188.8	189.19	194.84 (10/10)	154.95 (3/1/83)	194.84 (10/10/83)	3.62 (30/6/32)
Comp's'te	165.94	164.87	166.21	167.04	167.55	167.83	172.65 (10/10)	138.34 (3/1/83)	172.65 (10/10/83)	4.40 (1/6/32)

	Jan. 18	Jan. 11	Jan. 4	Year ago (approx)
Industrial div. yield %	3.69	3.68	3.70	4.39
Industrial P/E ratio	13.70	13.74	13.64	11.35
Long Gov. Bond yield	11.51	11.66	11.74	10.60

N.Y.S.E. ALL COMMON

Jan. 24	Jan. 23	Jan. 20	Jan. 19	1983-84 High	1983-84 Low
95.86	95.32	96.13	96.50	99.63 (10/10)	80.92 (24/1/83)

Rises and Falls	Jan. 24	Jan. 23	Jan. 20
Issues Traded	2,008	2,020	2,007
Rises	823	409	563
Falls	738	1,254	1,012
Unchanged	447	357	442
New Highs	27	20	12
New Lows	17	26	36

MONTREAL

	Jan. 24	Jan. 23	Jan. 20	Jan. 19	1983-84 High	1983-84 Low
Industrial	441.70	444.31	449.50	449.14	468.80 (26/9)	351.18 (4/1/83)
Combined	424.93	427.18	432.14	431.89	441.28 (26/9)	326.12 (4/1/83)
TORONTO Composite	2526.3	2540.2	2572.5	2580.5	2598.2 (26/9)	1949.9 (4/1/83)

	Jan. 25	Jan. 24	Jan. 23	Jan. 20	1983/84 High	1983/84 Low
AUSTRALIA All Ord. (1/1/80)	766.3	771.6	777.8	781.5	787.8 (9/1/84)	487.6 (4/1/83)
Metals & Minls. (1/1/80)	519.3	529.0	535.5	541.2	614.2 (5/8)	411.8 (4/1/83)
AUSTRIA Credit Aktien (2/1/62)	55.48	55.45	55.65	55.36	58.9 (5/5)	46.48 (15/2)
BELGIUM Belgian SE (31/12/63)	147.86	145.90	145.78	144.94	147.86 (25/1/84)	106.50 (4/1/83)
DENMARK Copenhagen SE (3/1/83)	222.50	223.62	225.10	225.21	225.21 (20/1/84)	109.69 (3/1/83)
FRANCE CAC General (31/12/82)	175.1	171.6	168.6	167.6	175.1 (25/1/84)	95.1 (3/1/83)
Ind Tendance (30/12/83)	114.7	112.0	109.2	109.0	114.7 (25/1/84)	98.4 (3/1/84)
GERMANY FAZ-Aktien (31/12/58)	364.18	360.76	363.66	360.6	364.18 (25/1/84)	241.99 (25/1/83)
Commerzbank (1/12/53)	1,075.5	1065.6	1074.5	1065.8	1,075.5 (25/1/84)	727.8 (25/1/83)
HONG KONG Hang Seng Bank (31/7/64)	1,041.88	1035.28	1055.61	1034.08	1102.64 (21/7)	690.66 (4/10)
ITALY Banca Comm Ital. (1972)	217.85	217.66	219.68	219.02	221.98 (18/1/84)	168.45 (19/1/83)
JAPAN** Nikkei-Dow (16/5/49)	10115.1	10022.8	10071.0	10104.9	10155.57 (17/1/84)	7993.19 (25/1/83)
Tokyo SE New (4/1/68)	768.84	760.85	763.17	764.45	768.84 (25/1/84)	574.51 (25/1/83)
NETHERLANDS ANP-CBS General (1970)	175.0	170.0	170.9	169.9	175.0 (25/1/84)	106.1 (4/1/83)
ANP-CBS Indust (1970)	143.1	142.9	143.2	142.1	143.2 (23/1/84)	83.5 (4/1/83)
NORWAY Oslo SE (4/1/83)	243.79	238.74	243.44	243.29	243.79 (25/1/84)	95.01 (4/1/83)
SINGAPORE Straits Times (1966)	1034.99	1039.56	1040.81	1044.44	1044.44 (20/1/84)	712.29 (3/1/83)
SOUTH AFRICA Gold (1958)	(u)	783.1	818.9	815.8	1089.5 (1/2)	661.4 (1/11)
Industrial (1958)	(u)	982.9	987.8	989.7	1008.4 (9/1/84)	704.9 (5/1/83)
SPAIN Madrid SE (30/12/83)	109.25	109.00	(c)	109.0	109.25 (25/1/84)	100.00 (30/12/83)
SWEDEN Jacobson & P. (1/1/58)	1,526.96	1537.26	1551.95	1524.2	1557.26 (24/1/84)	896.18 (3/1/83)
SWITZERLAND SwissBankCpn. (31/12/58)	380.9	378.8	380.9	383.2	388.7 (3/1/84)	294.4 (4/1/83)
WORLD Capital Intl. (1/1/70)	—	185.4	185.4	186.5	187.2 (20/1/84)	154.5 (5/1/83)

** Saturday January 21: Japan Nikkei-Dow 10,088.0, TSE 763.82.

Base values of all indices are 100 except Australia All Ordinary and Metals—500. NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 industrials. § 400 industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

LONDON STOCK EXCHANGE

MARKET REPORT

Good trade figures climax strong session and take equities up to new record levels

Account Dealing Dates

Option *First Declara- Dealings	tions	Last Dealings	Account Day
Jan 16	Jan 26	Jan 27	Feb 6
Jan 30	Feb 9	Feb 10	Feb 20
Feb 13	Feb 23	Feb 24	Mar 5

* "New-time" dealings may take place from 9.30 am two business days earlier.

Impressive December balance of trade returns provided an appropriate finale to another buoyant session in London equity markets yesterday. Leading shares went from strength to strength and the FT Industrial Ordinary share index rose sharply to close at a record 840.5. Sentiment was also underpinned by continuing takeover activity and the speculative interest it has aroused in almost every corner of the market.

The oil pitches were dominant in the early exchanges following Tuesday's late announcement of Royal Dutch/Shell's £3.7bn offer for the outstanding 31 per cent of its U.S. affiliate, Shell Oil. This development sparked off a wave of speculative buying for other oils long considered possible bid targets, and sizeable gains ensued. Shell returned from Tuesday's brief suspension to trade actively and close at 660p, against the suspension price of 623p. Similarly, Royal Dutch also resumed trading and ended at £36¼, compared with Tuesday's £34.

After-hours' publication of December's trade returns coupled with Wall Street's upsurge early yesterday set the seal on a remarkable day for blue chip industrials. Already showing to further good advantage on renewed UK institutional support and selective U.S. demand, leading shares soared in late inter-office dealings to close at the day's best. The FT 30-share index began only 3.2 higher but progressively improved to stand 9 points up at 3 pm. Depicting the strong after-hours tone, however, the measure closed 15.6 up at 840.5—the biggest daily rise since October 18, 1982.

American investors again bought selected leaders and were said to be eyeing Courtaulds. Grand Metropolitan, although an absentee from U.S. lists, still advanced 21 to 363p. Among other 30-share constituents, Imperial Group fared well with a rise of 8 to 156p as fund managers took stock on board ahead of the preliminary results, scheduled for February 9. Engineering majors remained popular on recovery hopes.

Two new bids and more large deals excited the market yesterday. Bassett Foods raced up 64 to 163p on the 145p per share bid from Avana and Stylo moved up sharply in response to the awaited bid from Harris Queensway.

Gilt-edged securities languished as equities soared to new all-time peaks. Neither the December balance of trade surplus nor predictions that short-term U.S. interest rates would move lower this year enthused investors more interested in events elsewhere. Throughout official trade, longer-dated stocks hovered either side of overnight list levels, but after-hours tended to harden. The shorts moved similarly.

NatWest strong

Stock shortages accentuated closing gains among the major clearing banks, which continued to attract support ahead of the forthcoming dividend season. As on Tuesday, NatWest led the advance, rising 30 to 765p, while Lloyds finished 23 higher at 603p; the latter's preliminary results are due on March 9. Barclays added 17 at 565p and Midland, recently restrained by the troubles of its U.S. associate, Crocker National, moved up 7 to 427p. Discount Houses, stimulated this week by the Gerrard and National bid approach, were quieter but Union hardened 10 to 760p in response to the annual figures. Elsewhere, Minster Assets, in which the Kuwaiti Investment Office has recently acquired Britannia Arrow's near-19 per cent stake, encountered revived speculative bid hopes and closed 8 better at 129p. Wintrust also found support in merchant banks at 248p, up 18. First National Finance Corporation reflected disappointment with the profits performance of its lending and property division and softened a penny to 66½p.

Still unsettled by a current High Court case alleging that the company withheld crucial information from underwriters now facing multi-million claims over last year's Australian bush fires, Sedgwick reacted to 233p before closing a net 2 lower on balance at 238p: Sedgwick have categorically denied the allegations. Among other Lloyds Brokers, Hogg Robinson continued to reflect currency considerations and added 4 more to 153p.

Breweries responded to fresh institutional support and displayed rises across the board. Bass, 325p, Whitbread, 141p, and Allied-Lyons, 153p, all closed around 6 to the good.

Generally firm conditions prevailed among Buildings with the largest gains occurring in situation stocks. London Brick rose 4 to 161p on talk of a further increased offer from Hanson Trust, while John Laing gained 11 to 154p following a visit by brokers Buckmaster and Moore to one of the company's subsidiaries; there was also talk that another broker was recommending the shares. Cement Roadstone revived with an improvement of 2½ to 61p, while Redland firmed 9 to 279p.

ICI slipped to 628p initially, but picked up on domestic buying to close a couple of pence dearer on balance at 634p. Renewed demand left Laporte 6 dearer at 382p, while a Rouse tip lifted Croda International 5 to 105p. International Paint rose 11 to 225p in sympathy with Courtaulds.

Interest in Stores again centred on House of Fraser, which advanced 16 to record a two-day gain of 30 at 280p; rumours suggested that Lonrho's near-30 per cent stake has been placed outside the market at 315p per share. Lonrho were unchanged at 119p. Globe Investment Trust, also rumoured to be involved in the deal regarding its holding of around 4m. Fraser shares denied yesterday that it had disposed of any part of its stake.

News of directors' share purchases lifted Raybeck 2 more to 41p. Press comment lifted Owen Owen 5 to 178p, while revived speculative demand left Sumrie Clothes a like amount dearer at 108p.

Having been rebuffed by the incumbent Ziff family following its original approach to Stylo on January 19, Harris Queensway, after receiving indications of acceptance from over 30 per cent of independent shareholders, reiterated its offer of 325p per share cash. Stylo subsequently advanced 19 to 330p, while HQ finished a couple of pence up at 318p. Strong and Fisher were again actively traded on consideration of Mr Asil Nadir's holding and improved 10 more to 218p.

Among Electricals, Plessey, a subdued market of late on fears of overseas competition for British Telecom orders, rallied smartly to close 8 up at 234p. After-hours' demand lifted Thorn EMI 20 to 670p. Elsewhere, ICL traded firmly at 66p, up 3, pending the outcome of yesterday's meeting with analysts, while investment comment prompted a rise of 5 to 145p in Cray Electronics.

A brisk two-way trade developed in the Engineering leaders and, with buyers gaining the upper hand late, prices recorded further gains. Vickers, up 8 at 145p, were particularly good following an investment recommendation. Hawker opened lower at 404p, after Tuesday's bout of U.S. buying, but steadily recovered to close a couple of pence better on balance at 410p. GKN, 207p, and TI, 202p, improved 4 apiece. Elsewhere, Westland featured with a late rise of 10 to 189p on news that the Italian and British Governments had given the go-ahead to the EH 101 joint helicopter programme. In contrast, Bootham Engineering dipped 13 to 125p on a sharply reduced dividend and lower annual profits.

Selected Food issues drew fresh support and Rowntree Mackintosh added 4 more for a two-day gain of 14 to 236p. Among Retailers, Dee Corporation gained 7 to 462p. The company's share-exchange offer for Bassett failed to depress Avana, which firmed 7 to a 1983-84 peak of 512p.

Other leading Hotels and Caterers followed in Grand Metropolitan's wake with Ladbroke rising 8 to 240p and Trusthouse Forte 4 to 215p.

Rank Org. good again

Miscellaneous industrial leaders were often only a few pence better, but late demand left Metal Box 8 to the good at 334p and Unilever 20 higher at 965p. Rank Organisation, reflecting Press comment on the preliminary figures, advanced afresh to 225p, up 7, while Gestetner 'A' responded to the annual profits recovery with a gain of 8 to 80p. Metal Closures, an old bid favourite, put on 15 to 158p. Channel Tunnel, up 36 at 123p, sprang to life following a report that France wants a decision on the project before the end of June. Johnson Matthey met with support and put on 10 to 278p, while Chamberlain Phipps improved 6 to 78p with the aid of "call" option interest. Fisons were noteworthy for a rise of 20 to 775p; it was announced on Tuesday that the company had acquired Langley Peat North, a Canadian peat extraction concern, for £5.5m. AGB Research moved up 17 to 322p in a limited market, but recent speculative favourites, Highgate and Job, 200p, and Highgate Optical, 70p, reacted 15 and 6 respectively. Dealings were temporarily suspended in London Private Health, 31p, at the company's request pending an announcement.

After Tuesday's jump of 29, Associated Leisure hardened 2 to 150p pending the outcome of bid talks with Pleasurama; the latter more than erased the previous day's fall in closing 14 better at 326p.

Motor Distributors made progress, although demand remained selective. On further reflection of the group's recent U.S. expansion, British Car Auction gained 6 to 130p. Lex Service improved a similar amount to 375p, while increased annual profits and dividend, plus a proposed 10 per cent scrip issue, lifted Lookers 4 to 84p, after 85p.

Continuing optimism about the proposed Reuters flotation coupled with fresh consideration of the group's North Sea oil interests lifted Associated Newspapers 18 to 483p. Carlton Communications encountered late demand and improved 15 to 435p, but sales promotion consultants KLP, a rising market of late, succumbed to profit-taking after the preliminary figures and closed 15 lower at 160p.

Institutional buyers reappeared in the Property sector and the leaders closed on a firm note. British Land attracted considerable attention following the acquisition of a 50 per cent stake in Euston Centre Properties and a holding of 1.69m shares in Stock Conversion from George Wimpey for a total of £35.9m cash. British Land closed 6 up at 113p and the 12 per cent convertible rose 17 points to £358. Stock Conversion, the other co-owner of Euston Centre Properties, shed 2 for a three-day fall of 19 to 318p; British Land is understood to have placed its 1.69m stock conversion shares with various institutions. George Wimpey eased a couple of pence to 137p. Land Securities firmed 4 and MEPC 5 to the common price of 275p, while Slough Estates gained 6 to 125p. Press comment stimulated interest in C. H. Beazer, which firmed 8 to 304p.

Revived speculative demand boosted rumoured "shell" situation Harold Ingram 48 to 338p, after 343p. Other Textiles to feature included Coats Patons, which attracted a lively trade and closed 7 better at 107p in the wake of a "buy" recommendation from brokers De Zoete and Bevan. Tootal, aided by option activity, put on 3½ at 43½p.

Oils surge ahead

Shell's offer late on Tuesday to acquire the outstanding 30 per cent of Shell Oil triggered a wave of heavy speculative buying throughout the oil sector. Dealings resumed in Shell and Royal Dutch, the latter opening at £35, compared with a pre-suspension price of £34 and Shell at 638p, against 623p. Both issues attracted strong domestic and U.S. buying interest with Shell advancing to a 1983-84 high of 662p prior to closing a net 37 higher on balance at 660p. Royal Dutch moved up £2¼ to £36¼, after a year's best of £36½. Other leading Oils made rapid progress amid revived takeover speculation. Long-time bid favourite Ultramar, in which Consolidated Gold Fields has a 5 per cent plus interest, jumped 30 to 690p while Tricentrol, widely rumoured as a takeover target for RTZ, rose 7 to 210p, after 213p. LASMO gained 5 to 335p, after 340p, as bid speculation was allied to hopes of drilling success from the appraisal well currently being tested on the Tiffany structure. Britoil closed a net 3 higher at 233p, after 236p. Burmah were 13 firmer at 200p, and IC Gas, LASMO's partner in the Audrey gas find, rose 15 to 290p. Among second-line issues Carless Capel put on 7 to 230p, Premier 6½ to 60p, Sovereign Oil 28 to 312p and Sun Oil Royalty Units 25 to 150p, the last named following heavy demand for the parent company in overnight U.S. markets. In Australians, Canada Northwest Oil continued their spectacular advance and jumped a further 12 to 46p, after a record 52p, on persistent talk of a major oil discovery in the Turtle No 1 well drilled off the coast of Western Australia; other participant in Turtle 1 include Cultus Pacific, which were 3 firmer at 21p, after a 1983-84 high of 23p, and York Resources, which hardened a penny to 29p. Home Energy rose 7 to 87p.

Commodity traders went better under the lead of Inchcape which, aided by persistent takeover speculation, closed 10 dearer at 325p. Gill and Duffus rose 7 to 208p and, after a lively trade, James Finlay were 6 up at 149p.

RTZ advance

A quiet mining market was highlighted by persistent and heavy buying of RTZ which advanced 12 to 665p following a brokers' seminar in London on Tuesday evening. Other UK Financials made good progress with Charter Consolidated moving up 8 to 253p, and Consolidated Gold Fields 7 at 515p. Hampton Areas gained 5 at 212p.

Leading Australian mining stocks were again unsettled by the recent uncertain trend in precious and base-metal markets. MIM Holdings dipped a further 9 to 216p following the earnings setback while Peko-Wallsend fell 8 to 356p. Losses of 4 were common to Bougainville and CRA at 150p and 360p respectively. Western Mining moved against the trend and edged up 4 to 262p reflecting the company's substantial interest in the recent oil discovery in the Turtle 1 well drilled off the coast of Western Australia.

Elsewhere Canada's Sabina Industries dropped to 84p prior to rallying to close a net 2 easier at 90p following the proposed restucturing of the company to incorporate the new McFinley Red Lake gold deposit in Ontario.

Strong and persistent institutional demand together with the expiry of the popular January series boosted activity in Traded Options where total contracts struck amounted to 7,826—the highest since the all-time record of 9,727 recorded May 18 last year. Oils were again particularly buoyant with British Petroleum recording 1,194 calls, 646 of which were transacted in the January 420s, 11 up at 15p, and 102 puts. Shell Transport, back from suspension following the bid for the minority interest in Shell America, attracted 841 calls. Elsewhere, continued speculation surrounding its 29.9 per cent holding in House of Fraser stimulated another lively business in Lonrho positions which attracted 762 calls, 252 of which were done in the February 100's. Imperial Group and GEC attracted 528 and 559 calls respectively.

FINANCIAL TIMES STOCK INDICES

	Jan. 25	Jan. 24	Jan. 23	Jan. 20	Jan. 19	Jan. 18	year ago
Government Secs	82.87	82.91	82.74	82.86	83.31	83.33	77.68
Fixed Interest	87.24	87.20	87.14	87.23	87.29	87.27	79.88
Industrial Ord.	840.5	824.9	814.9	826.9	823.9	821.2	614.4
Gold Mines	588.1	524.9	541.5	540.1	557.0	585.8	627.3
Ord. Div. Yield	4.29	4.35	4.41	4.34	4.34	4.34	4.87
Earnings, Yld.% (full)	9.01	9.16	9.26	9.13	9.12	9.06	10.47
P/E Ratio (net) (*)	13.58	13.36	13.22	13.41	13.41	13.49	11.46
Total bargains	27,013	28,722	29,366	30,455	28,674	27,774	22,582
Equity turnover £m.	—	326.86	261.17	365.01	462.16	386.25	188.72
Equity bargains	—	22,609	26,068	26,352	26,266	24,403	18,122
Shares traded (ml)	—	182.2	159.8	215.1	233.6	204.5	143.1

10 am 828.1. 11 am 828.5. Noon 830.1. 1 pm 832.8. 2 pm 832.8. 3 pm 833.9

Basis 100 Govt. Secs. 8/1/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/9/55. SE Activity 1974. Latest Index 01-246 8026

*Nil=12.60 †Corrected

HIGHS AND LOWS / S.E. ACTIVITY

—	1983/84 High	1983/84 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	83.77 (9/1/84)	77.00 (24/1/83)	127.4 (9/1/55)	49.18 (3/1/75)
Fixed Int.	87.29 (19/1/84)	79.03 (1/2/83)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	840.5 (25/1/84)	598.4 (12/1/83)	840.5 (25/1/84)	49.4 (26/6/40)
Gold Mine.	734.7 (15/2/83)	444.5 (1/11/83)	734.7 (15/2/83)	43.5 (26/10/71)

	Jan. 24	Jan. 23
—Daily Gilt Edged Bargains	162.8	190.9
Equities Bargains	146.5	168.8
Value	650.7	527.9
5-day Average Gilt Edged Bargains	190.4	196.4
Equities Bargains	162.6	166.1
Value	663.6	†659.4

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Wed Jan 25 1984 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Tues Jan 24 Index No.	Mon Jan 23 Index No.	Fri Jan 20 Index No.	Thur Jan 19 Index No.	Year ago (approx) Index No.
1 CAPITAL GOODS (205)	495.64	+0.9	8.53	3.59	15.18	491.29	491.33	496.22	498.27	414.36
2 Building Materials (25)	473.42	+0.7	10.61	4.51	11.79	470.21	471.64	475.30	471.68	407.19
3 Contracting, Construction (32)	726.45	+0.6	[illegible]	[illegible]	[illegible]	721.84	722.07	734.96	737.93	735.98
4 Electricals (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	1741.95	1740.29	1741.99	1751.39	1527.45
5 Electronics (24)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	1692.73	1704.64	1729.07	1755.12	0.00
6 Mechanical Engineering (64)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	234.60	231.86	233.65	231.86	197.65
8 Metals and Metal Forming (9)	[illegible]									
9 Motors (17)	[illegible]									
10 Other Industrial Materials (19)	[illegible]									
21 CONSUMER GROUP (196)	[illegible]									
22 Brewers and Distillers (23)	[illegible]									
25 Food Manufacturing (22)	[illegible]									
26 Food Retailing (12)	[illegible]									
27 Health and Household Products (9)	[illegible]									
29 Leisure (25)	[illegible]									
32 Newspapers, Publishing (15)	[illegible]									
33 Packaging and Paper (15)	[illegible]									
34 Stores (47)	[illegible]									
35 Textiles (19)	[illegible]									
36 Tobaccos (3)	[illegible]									
39 Other Consumer (9)	[illegible]									
41 OTHER GROUPS (83)	[illegible]									
42 Chemicals (16)	[illegible]									
44 Office Equipment (5)	[illegible]									
45 Shipping and Transport (14)	[illegible]									
46 Miscellaneous (48)	[illegible]									
49 INDUSTRIAL GROUP (484)	[illegible]									
51 Oils (13)	[illegible]									
59 500 SHARE INDEX	[illegible]									
61 FINANCIAL GROUP (122)	[illegible]									
62 Banks (6)	[illegible]									
63 Discount Houses (9)	[illegible]									
65 Insurance (Life) (9)	[illegible]									
66 Insurance (Composite) (9)	[illegible]									
67 Insurance Brokers (6)	[illegible]									
68 Merchant Banks (12)	[illegible]									
69 Property (54)	[illegible]									
70 Other Financial (16)	[illegible]									
71 Investment Trusts (107)	[illegible]									
81 Mining Finance (4)	[illegible]									
91 Overseas Traders (15)	[illegible]									
99 ALL-SHARE INDEX (748)	[illegible]									

FIXED INTEREST

PRICE INDICES	Wed Jan 25	Day's change %	Tues Jan 24	xd adj. today	xd adj. 1984 to date
British Government					
1 5 years	[illegible]				
2 5-15 years	[illegible]				
3 Over 15 years	[illegible]				
4 Irredeemables	[illegible]				
5 All Stocks	[illegible]				
6 Debentures and Loans	[illegible]				
7 Preference	[illegible]				

AVERAGE GROSS REDEMPTION YIELDS	Wed Jan 25	Tues Jan 24	Year ago (approx)
British Government 1 Low 5 years	[illegible]		
2 Coupons 15 years	[illegible]		
3 25 years	[illegible]		
4 Medium 5 years	[illegible]		
5 Coupons 15 years	[illegible]		
6 25 years	[illegible]		
7 High 5 years	[illegible]		
8 Coupons 15 years	[illegible]		
9 25 years	[illegible]		
10 Irredeemables	[illegible]		
11 Debs & Loans 5 years	[illegible]		
12 15 years	[illegible]		
13 25 years	[illegible]		
14 Preference	[illegible]		

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

NEW HIGHS AND LOWS FOR 1983/84

NEW HIGHS (159)

INT. BK. & O'SEAS GOVT. STLG. ISS. (1)
AMERICANS (3)
CANADIANS (1)
BANKS (7)
BREWERS (1)
BUILDINGS (4)
CHEMICALS (6)
STORES (4)
ELECTRICALS (7)
ENGINEERING (13)
FOODS (5)
HOTELS (2)
INDUSTRIALS (25)
INSURANCE (4)
LEISURE (1)
MOTORS (1)
NEWSPAPERS (3)
PAPER (1)
PROPERTY (6)
SHIPPING (1)
SHOES (1)
TEXTILES (4)
TOBACCOS (1)
TRUSTS (37)
OILS (10)
OVERSEAS TRADERS (2)
MINES (5)

NEW LOWS (8)

BREWERS (1) Marston Thompson
BUILDINGS (1) Crouch Group
ELECTRICALS (2) Cifer, Muirhead Elects.
LEISURE (1) Nimslo Internat.
MOTORS (1) Perry (H.)
TRUSTS (2) Energy Fin. & Gen., Fleetech

EUROPEAN OPTIONS EXCHANGE

Series	Feb. Vol.	Feb. Last	May Vol.	May Last	Aug. Vol.	Aug. Last	Stock
GOLD C / SILVER C / ABN C / AKZO C / AMRO C / HEIN C / KLM C / NATN C / PETR C / PHIL C / RD C / UNIL C	[illegible]						

TOTAL VOLUME IN CONTRACTS: 28,766

A=Ask B=Bid C=Call P=Put

LONDON TRADED OPTIONS

Option	Calls Jan.	Calls Apr.	Calls July	Puts Jan.	Puts Apr.	Puts July
B.P., Cons. Gold, Courtaulds, Com. Union, G.E.C., Grand Met., I.C.I., Land Secur., Marks & Sp., Shell Trans.	[illegible]					

Option	Calls Feb.	Calls May	Calls Aug.	Puts Feb.	Puts May	Puts Aug.
LASMO, Lonrho, P. & O., Racal, R.T.Z., Vaal Reefs	[illegible]					

Option	Calls Mar.	Calls June	Calls Sep.	Puts Mar.	Puts June	Puts Sep.
Beecham, Boots, De Beers, Guest Keen, Hanson, Tesco	[illegible]					

Option	Calls Feb.	Calls May	Calls Aug.	Puts Feb.	Puts May	Puts Aug.
Barclays, Imperial Gp.	[illegible]					

Jan. 25. Total Contracts 7,826. Calls 6,579. Puts 1,247.
*Underlying security price.

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. date	1983/84 High	1983/84 Low	Stock	Closing price p	+or-	Net Div.	Times Covered	Gross Yield	P/E Ratio
[illegible]											

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1983/84 High	1983/84 Low	Stock	Closing price £	+or-
[illegible]							

"RIGHTS" OFFERS

Issue price p	Amount paid up	Latest Renunc. date	1983/84 High	1983/84 Low	Stock	Closing price p	+or-
[illegible]							

Renunciation date usually last day for dealing free of stamp duty. § Figures based on prospectus estimate. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1983-84. Q Gross. p Pence unless otherwise indicated. ¶ Issued by tender. § Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or takeover. ‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. ♦ Unlisted Securities Market.

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
British Land	113	+6
Burmah Oil	200	+13
Can North-West Oil	46	+12
Coats Patons	107	+7
Grand Metropolitan	363	+21
Hawker Siddeley	410	+2
House of Fraser	280	+16
ICI	634	+2
Shell Transport	660	+37
Strong & Fisher	218	+10
Stylo	330	+19
Ultramar	690	+30

TUESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Tues. close	Day's change
Strong & Fisher	24	208	+18
Mercantile Hse	21	427	+6
Rank Org	21	218	+13
[illegible]	21	[illegible]	[illegible]
Grand Metrop.	19	[illegible]	[illegible]
NatWest Bank	18	735	+20
Brit Aerospace	16	246	+4
GKN	16	203	+9
Babcock Intnl	14	173	+8
House of Fraser	14	264	+14
Bowater	13	[illegible]	[illegible]
Paula & Whites	13	[illegible]	[illegible]
Reed Intnl	13	438	+12
RTZ	13	653	+5
Shell Trans	13	623*	+8

* Price at suspension

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	14	25	56
Corpns., Dom. and Foreign Bonds	5	2	70
Industrials	335	227	843
Financial & Props.	216	40	265
Oils	47	21	52
Plantations	4	8	8
Mines	59	37	74
Others	32	60	83
Totals	724	429	1,457

OPTIONS

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Jan 23	Feb 3	Apr 26	May 8
Feb 6	Feb 17	May 10	May 21
Feb 20	Mar 2	May 21	June 11

For rate indications see end of Share Information Service.

Demand for Options continued to expand with calls transacted in First Holdings, Tootal, Bowater, Burmah Oil, John Brown, Dunlop, Camford Engineering, GKN, Scottish and Newcastle Breweries, Newman Industries 10 per cent Convertible, Ashley Industrial Trust, Chubb, UKO, Tranwood, Aspinall, Barrie Investment and Finance, Hong Kong Land, Jardine Matheson, Oil Search, Gestetner A, Joseph Webb, London Investment Trust, Bristol Oil and Minerals, Hogg Robinson, Stylo, Chamberlain Phipps, Tozer Kemsley and Millbourn, Mooregate Investment Trust, Low and Bonar, Premier Oil, BSR, Chloride, Habitat Precision Engineering and Sanford Concrete Machinery. Puts were done in Dunlop and Atlantic Resources, while doubles were taken out in Tootal, Bowater, LASMO and British Petroleum.

Television Services

Television Services International has acquired the film production company, Media Software International.

Mr Ardrew Lee, chairman and chief executive of Television Services, says he is confident that Media has excellent prospects for winning new contracts

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1983-84 High	Low	Stock	Price £	+ or -	Yield Int.	Red.
104⅛	100¼	Exchequer 14pc 1984.	101 3/32	-1/32	13.81	[illegible]
97¾	92½	Exch. 3pc 1984..	97 11/16	.....	3.07	[illegible]
102	100	Treasury 12pc 1984..	101	.....	11.82	[illegible]
107	104	Treasury 15pc 1985..	105⅛xd	..	14.23	[illegible]
107	101	Exch. 12pc Cnv. '85 .	102½	.....	11.71	[illegible]
94	88⅝	Treasury 3pc 1985	94	.....	3.18	[illegible]
102½	99⅛	Treasury 11½pc 1985	102	.....	11.25	[illegible]
102	95	Treas 8¼pcCnv '85 ..	99⅛	+⅛	8.82	[illegible]
103¼	100½	Exch. 12¼pc 1985	103	..	11.87	[illegible]
102⅞	99	Exch. 11¼pc '86	102xd	-	11.46	[illegible]
102¼	97¼	Treas 10pc Cnv 1986	100	-⅛	9.93	[illegible]
89⅞	85⅝	Treasury 3pc 1986	89⅝	+	3.35	[illegible]
101	97	Exch 10½pc Cv '86 .	100½	-	10.44	[illegible]
103	100	Treasury 12pc '86	102⅞	..	11.66	[illegible]
98¼	94⅛	Treasury 8¾pc '84-86‡‡	98¼	+	8.65	[illegible]
109	105	Exch 14pc 1986	107	..	13.03	[illegible]
86⅛	84½	Exch 2½pc 1986	86	+	2.90	[illegible]
107¼	103⅝	Exch 13¼pc 1987	106	..	12.48	[illegible]
100	95	Treas 10¼pc Cnv '87	99xd	-⅛	10.35	[illegible]
84⅝	80¼	Exchequer 2½pc 1987	84xd	+	2.95	[illegible]
100	95⅞	Exch 10½pc 1987	99	..	10.57	[illegible]
93¼	88⅛	Funding 6½pc '85-87‡‡	92½	+	7.05	[illegible]
98	96	Treas 10pc 1987	97⅞	-	10.21	[illegible]
86	80¼	Treasury 3pc 1987	83	+	3.59	[illegible]
104⅝	99⅞	Treas 12pc 1987	103	..	11.61	[illegible]
94½	89⅝	Treasury 7¾pc '85-88‡‡	94xd	..	8.21	[illegible]
101½	95½	Exch 10½pc '88	99	.....	10.58	[illegible]
98⅛	95	Treas 9¾pc Conv '88.	97	-⅛	10.05	[illegible]
81⅞	75¾	Transport 3pc '78-88	81¼	..	3.67	[illegible]
96¼	90⅝	Treas. 9½pc '88	95⅛	-⅛	9.98	[illegible]

Five to Fifteen Years

1983-84 High	Low	Stock	Price £	+ or -	Yield Int.	Red.
106¼	95¾	Treasury 11½pc 1989	100¼xd	..	11.32	[illegible]
103	94¾	Treas 10½pc 1989..	99⅜		10.70	[illegible]
97¼	96⅝	Exch 10pc 1989	96⅝	.....	10.46	[illegible]
83½	76	Treasury 5pc '86-89 .	83½		6.09	[illegible]
114	103	Treasury 13pc 1990‡‡	107⅞	..	12.09	[illegible]
110⅝	100⅞	Exch. 12½pc 1990..	109½	-⅛	11.88	[illegible]
93¼	86¼	Treasury 8¼pc '87-90‡‡	90¼	-⅛	9.19	[illegible]
20⅜	20	Treas 10pc Cv '90 (£20pd)	20	+	10.40	[illegible]
108¾	97	Treasury 11¾pc 1991 .	102½	-⅛	11.52	[illegible]
83	74⅛	Funding 5¾pc '87-91‡‡	82½	..	7.12	[illegible]
103	95⅞	Exch. 11pc 1991	102⅛	.....	11.08	[illegible]
114⅛	102	Treasury 12¾pc '92‡‡	108	..	11.82	[illegible]
100⅝	88¾	Treasury 10pc 1992..	95xd	..	10.45	[illegible]
111⅛	98½	Exch. 12¾pc '92	104⅝xd	-⅛	11.62	[illegible]
117	106½	Exchequer 13½pc '92	116¼	..	12.10	[illegible]

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

Index-Linked

[illegible]

Prospective real redemption rate on projected inflation of (1) 10% and (2) 5%.

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]

LOANS

Building Societies

[illegible]

Public Board and Ind.

[illegible]

Financial

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS, H.P. AND LEASING

[illegible]

Hire Purchase, Leasing, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY—Continued

[illegible]

ELECTRICALS

[illegible]

ENGINEERING

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

HOTELS AND CATERERS

[illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

MINES—continued

Australians

1983-84 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
28½	13½	♥ACM 20c	17	+½	—	—	—
52	30	♥Allstate Expl NL	30	......	—	—	—
10½	3¾	♥Asia Oil & Mins	4¾	......	—	—	—
40	9	♥Australis Mng. NL	21	......	—	—	—
25	11	♥Balmoral Res	15	−½	—	—	—
60	30	♥Black Hill Mins	30	......	—	—	—
104	51	♥Bond Corp	104	+1	Q10c	0.7	6.5
183	116	♥Bougainville 1 Kina	150	−4	Q3.21	1.2	1.3
396	204	♥CRA 50c	360	−4	tQ3c	—	0.5
145	60	♥Carr Boyd 20c	68	−2	—	—	—
44	25	♥Central Kalgoorlie	34	......	—	—	—
43	18	♥Central Pacific	22	+½	—	—	—
9	2¼	♥Cons Gold Mng Areas	3¼	−¼	—	—	—
17	5	♥Coopers Res N.L.	8	......	—	—	—
255	183	♥Crusader Oil	195	−5	—	—	—
23	8	♥Cultus Pac NL	21	+3	—	—	—
19	7	♥Eagle Corp 10c	9	−1	—	—	—
215	96	♥Emperor Mines	174	......	—	—	—
16½	8	♥Endeavour 20c	16½	......	—	—	—
58	17	♥Enterprise Gld Mines	25	−1	—	—	—
810	500	♥GM Kalgoorlie 25c	620	......	tQ10c	♦	1.1
24½	6	♥Grt. Eastern Mines	22	......	—	—	—
20	9	♥Great Victoria Gold	20	......	—	—	—
32	15½	♥Haoma NW	17½	+½	—	—	—
92	26	♥Hill Minerals N.L.	26	......	—	—	—
41	13	♥Intnl Mining	14	......	—	—	—
20	5	♥Ivanhoe Gld. N.L.	8¼	+¼	—	—	—
100	25	♥Jingellic Minerals	34	......	—	—	—
42	15	♥Kalbara Min 20c	18	−1	—	—	—
29½	9	♥Keywest Invs	29	......	—	—	—
134	54	♥Kitchener NL 25c	88	......	—	—	—
180	50	♥Meekatharra 25c	54	−2	—	—	—
58	24	♥Metals Ex 50c	40	......	—	—	—
200	22	♥Metana Minerals N.L.	139	+1	—	—	—
52	23	♥Metramar Mins 20c	42	......	—	—	—
279	216	♥MIM Hldgs 50c	216	−9	Q5c	1.5	1.5
15	5	♥Mincorp 20c	10	......	—	—	—
8	3	♥Minefields Expl 25c	4	......	—	—	—
46	23	♥Newmetal 20c	36	......	—	—	—
*213	128	♥North B Hill 50c	196	+1	Q8c	♦	2.7
90	38	Nth. Kalgurli	64	+½	—	—	—
86	58	♥Oakbridge 50c	63	......	Q7c	1.5	7.6
57	23	♥Otter Expl'n NL	26½	......	—	—	—
150	64	♥Pancont'l 25c	86	−2	—	—	—
9½	4	♥Pan Pacific Pet NL	7	+¼	—	—	—
75	35	Paringa Mng & Expln 5p	60	......	—	—	—
456	300	♥Peko-Wallsend 50c	356	−8	GQ5c	0.2	0.9
15½	6	♥Pelsart Res NL	15½	+1½	—	—	—
298	172	♥Renison 50c	260	......	Q10c	0.3	2.5
270	135	♥Do Defd	245	......	—	—	—
83	20	♥Samantha Expl'n NL	35	+2	—	—	—
52	21	♥Samson Expl'n NL	23	+2	—	—	—
74	49	♥Seltrust 50c	58	+4	—	—	—
58	24	♥Sons of Gwalia N.L.	35	......	—	—	—
27	11	♥Sthn. Goldfields	14	......	—	—	—
19	7	♥Southern Pacific	10½	......	—	—	—
14	6	♥Southern Ventures 25c	7	......	—	—	—
50	17	♥Swan Res 20c	21	+2	—	—	—
110	60	♥Tuxmax Res N.L.	70	......	—	—	—
58	31	♥United Goldfields	33	......	—	—	—
24	5	♥West Coast 25c	11½	......	—	—	—
38	8½	♥Western Cont. 50c	8½	......	—	—	—
285	168	Westn. Mining 50c	262	+4	Q2c	7.6	0.5
212	53	♥Whim Creek 20c	190	−6	—	—	—
47	7	♥Windsor Res. NL	18	......	—	—	—
31	8	♥York Resources	29	+1	—	—	—

Tins

1983-84 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
245	175	Ayer Hitam SM1	230	......	vQ85c	1.0	11.1
150	83	Geevor	147	+2	Z4.0	—	3.9
18	10	Gold & Base 12½p	10	......	—	—	—
435	290	Gopeng Cons.	400	......	♦20.0	1.4	7.1
600	525	Hongkong	575	......	—	—	5.2
21	13	Jantar 12½p	17	......	1.5	0.2	12.6
270	100	Kamunting SM0.50	200	......	hQ27½c	0.8	4.1
96	56	Malaysia Mng. 10c	71	......	$vQ11c	0.9	‡
57	28	♥Pahang	44	......	B—	—	—
500	325	Pengkalen 10p	500	......	1.0	—	0.3
330	225	Petaling SM1	300	......	vQ130c	♦	12.1
250	185	Sungei Besi SM1	250	......	$vQ185c	1.1	‡
68	40	♥Supreme Corp MS1	65	......	vhQ3¾c	♦	1.8
325	93	Tanjong 15p	325	......	g3.5	—	1.5
160	60	♥Tongkah H. Tin SM1	160	......	vQ5c	1.6	0.9
300	190	Tronoh SM1	250	......	vQ90c	1.1	10.8

Miscellaneous

1983-84 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
170	18	Admiral Mines	20	......	—	—	—
90	34	♥Anglo-Dominion	72	......	—	—	—
93	48	♥Anglo Utd. Dev.	53	+5	—	—	—
400	180	♥Centennial Minerals	262	−15	—	—	—
175	60	♥Colby Res Corp	175	......	—	—	—
838	315	Cons. Murch. 10c	838xd	+38	100c	♦	7.0
£17½	£10¾	Eastern Trans Cons 50c	£15	−¼	Q85c	4.9	2.8
240	170	Hampton Areas 10p	212	+5	3.75	2.1	2.4
275	103	♥Highwood Res	190	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INDUSTRIALS—Continued

[illegible]

INSURANCE

[illegible]

LEISURE

[illegible]

LEISURE—Continued

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS-Cont.

[illegible]

Finance, Land, etc.

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS—Continued

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

Central African

[illegible]

NOTES

[illegible]

REGIONAL AND IRISH STOCKS

[illegible]

OPTIONS

3-month Call Rates

[illegible]

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

INSURANCES

Insurances—continued

Offshore & Overseas—continued

Money Market Trust Funds

Money Market Bank Accounts

F.T. CROSSWORD PUZZLE No. 5,326

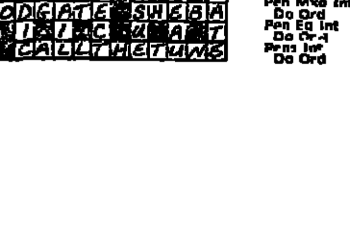
ACROSS

1 It may be buttonholed or rebuked (6)
4 If one returns a casual hug, that will do (6)
8 First-class students (7)
9 Is she French? (7)
11 A beater for those who carry the guns? (7,3)
12 Stop a baby crying with a sweetmeat (4)
13 This dance can go all over the place! (5)
14 Pass a complete renovation (8)
16 He works when the sun's shining? That's a blow (8)
18 Runaway African tyrant to return—the fool! (5)
20 Governess back in nursery education (4)
21 This court administers a poor sort of justice (10)
23 Literary supplements? (7)
24 Childhood in one's imagination (7)
25 Got a seat when prepared to stand (6)
26 Complaint about Ma's hat (6)

DOWN

1 He has to be what he is (5)
2 They have loads of energy (7)
3 Unaware of how developers work (2,3,4)
5 Dirty point on a pen (5)
6 Find made by a hunter (7)
7 From such a tool may come wholesale destruction (9)
10 Those that do will presumably have a mortgage though it's hateful (9)
13 A dangerous choice for mythological sailors (9)
15 People leaving are streaming out (9)
17 Mother strangely sweet on famous film-star (3,4)
19 Accuse the little devil of taking every one (7)
21 It is pinned on somehow, begad! (5)
22 Two small companies with a drink product (5)

Solution to Puzzle No. 5,325



INSURANCE & OVERSEAS MANAGED FUNDS

Black Horse Life Ass. Co. Ltd.
71, Lombard St., EC3. 01-623 1288

Black Horse Man. Fd.	243.19		...	—
Managed Inv. Fd.	164.78	173.46	...	—
Property Fd.	152.16	160.17	...	—
Fixed Interest Fd	148.30	156.11	...	—
Cash Fd	137.47	144.71	...	—
Income Fd	181.54	191.10	...	—
Extra Income Fd.	174.41	183.59	...	—
Worldwide Growth Fd.	233.27	245.55	...	—
Balanced Fd.	183.11	192.75	...	—
Smlr Co's & Recv. Fd	210.19	221.26	...	—
Int. Technology Fd	269.08	283.25	...	—
Nth. Amer. & Gen. Fd.	162.45	171.00	...	—
Energy Int. Fd.	108.48	114.19	...	—
Pacific Basin Fund	149.98	157.88	...	—

British National Life Assurance Co. Ltd.
Harlands Rd, Haywards Heath. 0444 414111

Managed	117.7	123.9	...	—
Property	120.2	126.6	...	—
Equity	125.2	131.8	...	—
International	132.0	138.9	...	—
Fixed Interest	104.2	109.7	...	—
Deposit	100.6	105.9	...	—
Managed Pen. Cap.	118.3	124.5	...	—
Property Pens. Cap.	121.9	128.3	...	—
Equity Pens. Cap.	120.5	126.9	...	—
Intnl. Pens. Cap.	137.4	144.6	...	—
Fixed Int. Pens. Cap.	100.8	106.1	...	—
Deposit Pens. Cap.	98.0	103.2	...	—

Canada Life Group
2-6, High St., Potters Bar, Herts. P. Bar 51122

Equity Gth Dec 29	97.4		...	—
Rmt. Fed. Jan. 6	280.3		...	—
Managed Pen Fund	193.8	204.0	...	—
Property Pen Fund	117.3	123.5	...	—
Index Lnkd Pen Fund	111.6	117.5	...	—
Managed	128.4	135.2	+0.8	—
Property	106.3	111.9	...	—
Gilt and Fixed Interest	108.6	114.4	...	—
Index-Linked	97.3	102.5	+0.2	—
Equity	129.9	136.8	+1.3	—
Cash	105.7	111.3	...	—
Midland Bk. Unit Tst.	126.9	133.6	+0.7	—
Midland Bank Intnl.	150.7	158.7	+0.7	—

Cannon Assurance Ltd.

G.T. Management Ltd.
16 Finsbury Circus, Lond. EC2M 7DJ. 01-628 8131

G.T. Plan Bond Fund	127.9	134.7	+0.5	—
GT Pln High Yld Fnd	131.5	138.5	...	—
GT Plan Far East Fnd	129.2	136.0	...	—
GT Plan N. Am Fd.	142.6	150.2	...	—
GT Pln UK&G.E. Fnd	149.5	157.4	...	—
GT Pln Wrldwde Fnd.	154.6	162.8	...	—
GT Pension Bnd Fnd.	140.8	148.3	+0.7	—
GT Pen High Yld Fd	150.5	158.5	...	—
GT Pen Far East Fd	159.5	167.9	...	—
GT Pen N. Am. Fd.	209.0	220.1	...	—
GT Pen UK & G.E. Fd.	172.8	181.9	...	—
GT Pen Worldwide Fd.	167.0	175.8	...	—

Prices for Accum. Units only.

Assicurazioni GENERALI S.p.A.
117, Fenchurch St., EC3M 5DY. 01-488 0733

Intl. Managed Bond	170.2	179.2	...	—

General Portfolio Life Ins. C. Ltd.
Crossbrook St., Cheshunt, Herts. Waltham X 31971

Portfolio Fd. Acc.	265.1		...	—
Portfolio Fd. Intl.	216.6		...	—

See adjacent page Mon-Fri and Stock Exchange Dealings page Sat

Gresham Unit Ass. Ltd.
2-6, Prince of Wales Rd. B'mouth. 0202 767655

Managed Fd.	286.6	302.8	...	—
Money Fd	157.0	165.3	...	—
Equity Fd.	242.5	255.5	...	—
Fixed Int. Fd	119.6	126.0	...	—
Property Fd	174.2	183.6	...	—
Managed Pen. Fd.	270.1	284.6	...	—
Equity Pension Fd	190.7	200.9	...	—
Fixed Int. Pen. Fd	166.9	175.9	...	—
High Yield Pen. Fd.	164.7	173.6	...	—
Money Pension Fd.	130.6	137.5	...	—
Property Pension Fd	128.5	135.4	...	—
Gresham/Framlington				
American & Gen. Fd.	256.8	270.6	-3.8	—
Income Fd	204.1	215.1	...	—
Int'l. Growth Fd	283.1	298.3	-3.0	—
Capital Fund	214.1	225.6	...	—
Recovery Fund.	163.5	172.3	-0.9	—

Growth & Sec. Life Ass. Soc. Ltd.
48, London Fruit Exchange, E1 6EU 01-377 1122

Flexible Finance	[illegible]		—	—

[illegible]

Wardley Investment Services Ltd.,
4th Floor, Hutchison House, Hong Kong

Wardley Trust	$5.98	6.33	...	2.21
Wardley Nikko As. Fd.	$26.66	28.53	...	5.26
Wardley Bond Trust	$10.25	10.80	...	8.61
Wardley Japan Trust	$30.04	31.77	...	0.47
Wardley Prv Cap Tst	$9.83	10.39	...	—

WestAven Secs (Guernsey) Ltd
PO Box 214, St Peter Port, Guernsey 0481 27768

Gilt & Option Fd	£1.18	1.23xd	...	2.50
US $ Option	$1.05	1.10	...	—

World Wide Growth Management
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd	$13.17		...	+0.02

Inv. Adv.: M. & G. Inv. Mngt., Ltd., London.

Wren Commodity Management Ltd.
10, St. George's St., Douglas IoM 0624 25015

Wren Com. Fund	22.2	23.1	...	—
Chinese Fund	65.3	68.0	...	—
Precious Metal Fund	121.7	126.7	...	—
Vanguard Cmdy Fd.	34.5	35.4	...	—
Financial Futures Fd.	63.1	65.7	...	—
Wren Intl. Fnd.*	$0.663	0.691	...	—

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. Z Previous day's price. ¶ Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. § Yield column shows annualised rate of NAV increase.

COMMODITIES AND AGRICULTURE

Sugar pact talks deferred to June

BY OUR COMMODITIES STAFF

FRESH NEGOTIATIONS on a new international sugar agreement have been deferred until June. The talks were scheduled for March but it is hoped the delay will give exporters more time to settle their differences.

However, delegates from 12 exporting countries have made some progress since provisional figures on export limitations were presented. Draft articles on the price regulatory mechanism have also been prepared.

The drafts contain alternatives reflecting various proposals and it was felt yesterday that a three-week negotiating session in March in Geneva would not give enough time to agree on a position.

Resumed negotiations in June will probably depend on progress at further informal talks in London, and are likely to be attended by importing countries.

In Brussels yesterday the European Commission authorised the export of 30,000 tonnes of white sugar at a maximum export rebate of ECU 35.44 per 100 kilos.

White sales were allocated to Britain (20,000 tonnes), the Netherlands (6,000), France (2,500), West Germany (1,000) and Denmark (500).

The sugar tender result had little impact on the London sugar markets yesterday. The May position for No 4 raws closed at £140.75, down £6 from the previous close.

This fall — to a nine-month low — was attributed to the weaker New York market and to rumours that India and Pakistan were hoping to sell more 1984 sugar.

EEC agrees to permit Dutch meat imports

By Ivo Dawnay in Brussels

EEC member states agreed yesterday to lift their restrictions on Dutch meat imports, imposed following a fresh outbreak of foot-and-mouth disease last week, despite fierce opposition from the French.

The decision came at a meeting of the EEC's veterinary committee after representatives of the Ten heard of Dutch proposals for an extension of its restricted zone round the infected area in North Holland.

The Netherlands has also agreed to allow member states to supervise border point health checks in order to give further assurance to importers.

● GROWING EEC wheat sales had not come at the expense of U.S. sales, Mr Jean Moulais, general manager of the National Interprofessional Cereals Office in Paris said. From 1971 to 1981 the EEC's share of the world wheat market rose from 9 to 14.5 per cent while the U.S. share rose from 31.9 to 49 per cent, he said.

● COD quotas for the North Sea and West of Scotland are to be reduced from 200 cwt to 170 cwt per vessel per week from February 5, the Ministry of Agriculture announced. The haddock quotas will stay the same.

● IFAD, the International Fund for Agricultural Development, said it had no money for projects and was running short of cash while the U.S., which was instrumental in setting it up, considered whether to continue its support.

● U.S. producers may be encouraged by the U.S. Agricultural Department to sell excess dairy cattle to foreign buyers to protect the domestic slaughter market from a price-depressing rise in sales, Mr John Block, Agriculture Secretary, said.

Deadlock threatens aid for Europe's poorest farmers

Ivo Dawnay reports on the problems besetting the Community's structural support scheme

THE political impasse that has paralysed the EEC's system of structural aids for Europe's poorest farmers is now threatening to put out of business those whom it is most intended to benefit.

The purpose of the funds is to subsidise farm modernisation programmes, enhance incomes in Less Favoured Areas (LFAs) such as hill farms, and support national socio-economic programmes for agricultural such as early retirement schemes and training programmes.

The political blockage that has now emerged stems from the Commission's insistence that no further structural support should be made available for the modernisation of dairy farming. This, it points out, would be in direct conflict with efforts to stem the tide of surplus milk which threatens to engulf the Community and bankrupt the CAP.

In principle, all member states agree with this objective. But the French and Irish insist that some exemptions must be made to support their poorest farmers who have no alternative to dairy activity. The Italians are also arguing for "special case" treatment in order to lift their domestic milk production from 60 per cent self-sufficiency to meet all home demand.

On the other hand, the West Germans, Dutch and Danish vigorously oppose further support for any milk producers. The British, while agreeing in principle with their northern European colleagues, argue that pragmatism dictates a continued short-term support for the sector if collective agreement on a temporary roll-over of existing arrangements is to be reached.

The unusually conciliatory nature of the British Government's position stems in part from its urgent need to win acceptance for an extension of LFA status to several new areas of the UK on which agreement is being blocked for tactical reasons by the French and Germans.

Faced with this deadlock, the Commission's proposal for a roll-over of all but dairy modernisation payments, plus a couple of exemptions favourable to the Germans but opposed by other states, has made no progress.

An attempt by the French President of a committee of senior agriculture officials on Tuesday to allow a roll-over with widespread exemptions for several categories of milk producers was also opposed by a margin of nine to one.

To complicate matters further, the absence of an agreement has created a legal void leaving member states confused as to their existing obligations. Legal advisers to the Council of Ministers argue that national governments must continue to fund the aid programme, even without the 25 per cent subsidy from the Community.

The Commission, on the other hand, says that the entire aid scheme has now expired except, through a fault in drafting, the need for governments to support small milk producers—ironically, the one group it is seeking to exclude.

Already member states are beginning to take matters into their own hands.

The West Germans, Dutch and Danes have already halted payments for dairy farm modernisation, while the French and Irish are continuing to make payments. Any future agreement could therefore be jeopardised by a new furore over whether the Commission should make retrospective payments to subsidise already paid by member governments—an action that it steadfastly refuses to take for the dairy sector.

The UK has halted all payments on the Treasury's argument that retrospective reimbursement is not ensured. But the growing anger of hill farmers, deprived of their livestock subsidies, may force the British Ministry of Agriculture to give way.

Hopes of a compromise solution now rest on the Commission submitting proposals for a simple roll-over of the expired arrangements to the Council — a move which could win reluctant majority approval.

So far, the Commission has ruled out any compromise, preferring instead to see if domestic political and economic pressures will force a relaxation of member states' rigid negotiating positions.

Futures contract trading surge continues in U.S.

BY PAUL TAYLOR IN NEW YORK

TRADING in futures contracts in the U.S. continued to surge last year led by Treasury bond contracts, soyabean, corn and Standard and Poor's stock index futures.

The volume of futures contracts traded on the U.S. exchanges increased by 24.52 per cent to 139.9m, the 15th successive yearly gain and the largest, according to figures compiled by the Futures Industry Association (FIA).

T-bond contracts volume on the Chicago Board of Trade showed the sharpest increase, gaining 13.97 per cent to 19.55m, while several of the relatively new stock index futures contracts also showed dramatic volume gain, led by the S&P 500 contract traded on the Chicago Mercantile Exchange.

Among the commodity futures, trading in soyabean and corn contracts on the Board of Trade led the surge, followed by the Comex gold contract which saw a 7.42 per cent gain in volume to 10.38m contracts.

The International Monetary Exchange, a division of the Chicago Mercantile Exchange, has declared itself "pleased" with the successful introduction of its first options contract on a currency future. On Tuesday the exchange began trading a new options contract based on its existing DM 125,000 D-mark futures contract, and estimated at the close that 1,954 contracts had changed hands.

Ivory Coast cocoa output 'lowest in past six years'

BY OUR ABIDJAN CORRESPONDENT

THE Ivory Coast's cocoa output in 1983-84 will be the lowest for the past six years, according to Mr Denis Bra Kanon, the country's Agricultural Minister.

Addressing a conference organised by the British Invisible Exports Council in Abidjan Mr Bra Kanon said drought and "producer discouragement" were responsible for the drop in output.

He criticised "uneconomic prices" that were not sufficient to finance the country's development needs as well as "excessive profits" made by speculators and middlemen.

Last week he said bush fires had destroyed many thousands of hectares of plantations and caused a $500m (£350m) loss in export earnings. A national committee has been formed to organise a campaign to prevent bush fires and Mr Bra Kanon said there had been no outbreaks so far this year.

Mr Bra Kanon said that results of a pilot project by the British Chocolate Manufacturers Alliance to improve the quality of Ivorian cocoa were very good and he hoped that British purchases would substantially increase.

He also underlined the Ivory Coast's readiness to join the new international cocoa agreement, but stressed the need for minimum prices to amortise investments over the medium term.

Dipping rules blamed for sheep scab

BRITAIN'S epidemic of sheep scab was yesterday blamed on the attitudes of the Ministry of Agriculture and farmers' leaders towards sheep dipping.

Mr Tim Wilkinson, a sheep expert of Yielden, Bedfordshire, said he had warned last June that a winter sheep scab epidemic was inevitable.

The disease has reached epidemic proportions in the north of England and Scotland

"I am not blaming only the ministry, although they must take a large share of the blame. Farmers and the NFU are also at fault for persuading the Government to change the dipping dates from autumn, when the sales are held, to late summer," Mr Wilkinson said.

Guernsey plans increase in nursery stock sales

GUERNSEY is embarking on a sales drive on the UK mainland to stress its increasingly important role as a producer of pot plants and nursery stock.

Commercial growers, major garden centre chains and wholesalers supplying supermarkets will be hearing about the plans over the next 10 days.

Mr Michael Evans, manager of the Guernsey Marketing Co-operative, a company recently set up by 20 island growers to handle the marketing and shipment of pot plants, nursery plants, liners and cuttings, is to visit potential outlets in an area stretching from the south coast to Suffolk and South Yorkshire on an "introductory and sales trip."

Although no exact figures for the value of Guernsey's exports of pot plants and nursery stock are available, they are estimated to be approaching £1m a year.

The island's horticultural committee, which is giving the new co-operative full backing and has allocated £30,000 to help promote sales of ornamental plants this year, sees this as one of the most promising sectors to replace the declining tomato acreage and maintain employment in the growing industry.

The committee has forecast that the area of glasshouses used for the production of pot plants and nursery stock could increase from about 22 acres at present to 60 acres by 1988 and 80 acres by 1993.

PRICE CHANGES

In tonnes unless stated otherwise	Jan. 25 1984	+ or —	Month ago
Metals			
Aluminium	£1100	......	£1100
Free Mkt	$1580/610		$1580/610
Copper			
Cash h Grade	£971.75	+8	£978
3 mths	£996.75	+8.5	£1004.25
Cash Cathode	£965.5	+8	£960.25
3 mths	£984	+8.5	£986
Gold troy oz	$366.625	+1.5	$378
Lead Cash	£276.75	+3.25	£279.125
3 mths	£285.25	+3.5	£288.125
Nickel	£4945		£4813
Free Mkt	208/228c		206/225c
Palladium oz	$155.50	+0.25	$163.25
Platinum oz	£265.85	+1.45	£270.05
Quicksilvert	$502/508		$505/512
Silver troy oz	576.85p	+7.85	612.20p
3 mths	590.10p	+7.50	626.90p
Tin cash	£8660	—7.5	£8395
3 months	£8796	+14.5	£8507.5
Tungsten	$74.41		$74.70
Wolfram 22.04lb	$74/78		$70/74
Zinc	£688.5	+0.5	£604.5
3 mths	£684.75	+0.5	£618.75
Producers	$1,010		$980

	Jan. 25 1984	+ or —	Month ago
Oils			
Coconut (Phil)	$1150y	+10	$1045
Groundnut	‡		‡
Linseed Crude	£444w		‡
Palm Malayan	$840u	—5	$760
Seeds			
Copra Phil	$720v	—5	$680
Soyabean (U.S.)	$310.75	—0.85	$337.5
Grains			
Barley Fut. May	£120.50	—0.55	£122.00
Maize	£146.50y		£148.00
Wheat Fut. May	£121.35	—1.25	£121.85
No2 Hard Wint	‡		‡
Other commodities			
Cocoa ship't*	£2063	+14	£1998
Futures May	£1999.5	+14	£1964
Coffee Ft. Mart	£2108	+11.5	£1926.5
Cotton A Index	87.30c	—0.45	89.06c
Gas Oil Feb	$256.75	+0.25	$251.25
Rubber (kilo)	88.0p	+0.5	82.5p
Sugar (raw)	£125.5yz	—5.5	£123.5
Wooltp's 64s	454p kilo		425pkilo

‡ Unquoted. u April. w Feb. z March. x May. v Feb-March. y Jan-Feb. † Per 76-lb flask. * Ghana cocoa. n Nominal. c Cent per pound.

LONDON OIL

The market opened $1.52 higher but quickly dipped in lacklustre trading as participants awaited signs of direction. New York opened lower than expected and London moved down to close on the lows, reports Premier Man.

CRUDE OIL FUTURES

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per brl		
Feb	29.50	—	—
Mar	29.17	+0.25	29.17-29.11
Apr	29.02	+0.21	—
May	28.93	+0.15	—
June	28.40	—0.25	—
July	28.40	—0.22	—

Turnover: 11 (6) lots of 1,000 barrels.

SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	28.60-28.70	—0.05
Iranian Light	27.50-27.80	—0.05
Arab Heavy	26.35-26.45	+0.05
North Sea (Forties)	29.45-29.50	—0.05
North Sea (Brent)	29.60-29.75	+0.05
African Bonny Light	29.30-29.70	—0.05
PRODUCTS—North West Europe CIF ($ per tonne)		
Premium gasoline	273-277	—
Gas Oil	263-267	+0.5
Heavy fuel oil	174-178	—

GAS OIL FUTURES

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
Jan	261.75	—0.50	263.50-261.5
Feb	256.75	+0.25	258.50-256.5
Mar	248.25	—0.50	250.50-248.2
April	241.50	—0.50	243.00-241.5
May	237.00	—1.50	238.75-236.5
June	237.00	—	238.00-237.5
July	237.75	+0.50	238.75-231.7
Aug	242.00	+1.25	244.00
Sept	242.00	—1.80	—

Turnover: 2,290 (2,476) lots of 100 tonnes.

GOLD MARKETS

Gold rose $1¼ an ounce from Tuesday's close in the London bullion market yesterday to finish at $366¼-367. The metal opened at the same level and traded between a high of $367-$367¼ and a low of $365¾-366¼. The firmer trend reflected a fall in the dollar after the release of U.S. durable goods figures.

In Paris the 12½ kilo bar was fixed at FFr 102,000 per kilo ($367.15 per ounce) in the afternoon compared with FFr 102,000 ($367.34) in the morning and and FFr 101,400 ($364.88) on Tuesday afternoon.

In Luxembourg the dollar per ounce equivalent of the 12½ kilo bar was fixed at $369.00 from $364.75.

In Zurich gold finished at $366¼-367 from $365-365¼.

In Frankfurt the 12½ kilo bar was fixed at DM 33,312 per kilo ($366.65 per ounce) against DM 33,290 ($366.25) and closed at $366¼-366¾ from $365-365¼.

LONDON FUTURES

Month	Yest'day's close	+ or —	Business Done
	$ per troy ounce		
Feb	366.50-67.00	+1.80	367.80-66.00
April	372.90-73.00	+2.20	373.50-72.50
June	378.60-79.20	+2.00	—
Aug	385.00-86.00	+1.35	385.20
Oct	391.00-92.20	+2.20	—
Dec	397.50-98.50	—	—

Turnover: 393 (744) lots of 100 troy ounces.

	Jan. 25		Jan. 24	
Gold Bullion (fine ounce)				
Close	$366¼-367	(£261¼-261¾)	$364¾-365⅛	(£260⅛-261)
Opening	$366¼-367	(£261½-262)	$365⅝-366¼	(£260½-261)
Morning fixing	$366.375	(£261.603)	$366.20	(£260.578)
Afternoon fixing	$366.500	(£261.226)	$366.10	(£260.916)

Gold and Platinum Coins Jan. 25					
Krugrnd	$377¾-378½	(£269½-270)	King Sov	$89½-91	(£63¾-64¾)
½ Krug.	$194¼-195¼	(£139-139½)	Victoria Sov	$89½-91	(£63¾-64¾)
¼ Krug.	$99¼-100	(£70¾-71¼)	French 20s	$72¾-74½	(£51¾-53¼)
1/10 Krug.	$40½-41¼	(£28¾-29½)	50 Pesos Mex	$452-454	(£322½-323¾)
Mapleleaf	$377¾-378	(£269-269½)	100 Cor Aust	$358-362	(£255¼-258¼)
New Sov	$86¼-87	(£61½-62)	$20 Eagles	$520-530	(£370¾-378)
½ New Sov.	$51½-52¼	(£36¾-37¼)	Noble (Plat.)	$383½-387¼	(£273½-276½)

EUROPEAN MARKETS

ROTTERDAM, January 25.

Wheat—(U.S.$ per tonne): U.S. Two Red Winter Feb 160, March 161, April 162, mid-June/mid-July 149. U.S. Two Northern Spring 14 per cent protein Feb 193, March 194, April/May 180, June 180, July 179, Aug 177, Sept 175. U.S. Three Amber Durum Feb 208, March 210, April/May 194, June 194, July 193, Aug 190, Sept 185. Canadian Western Spring April/May 208, June 206.

Maize—(U.S.$ per tonne): U.S. Three Yellow afloat cif Ghent 158, Jan cif Ghent 160, Feb 158, March 155, April/June 155, July/Sept 155, Oct/Dec 138.50 sellers. Argentine Plate Feb 170, March 165, April 161, April/June 157 sellers.

Soyabeans—(U.S.$ per tonne): U.S. Two Yellow Gulfports Jan 304.75, Feb 303.50, March 304, April 305, May 306.80, June 309.50, Sept 302, Oct 284.50, Nov 284, Dec 288.50, Jan 293 sellers.

Soyameal—(U.S.$ per tonne): 44 per cent afloat 235, Jan 235, Feb/March 234, April/Sept 234, Nov/March 232.50 sellers. Pellets Brazil March 254, April 248, April/Sept 245, Oct/Dec 250 sellers. Pellets Argentine afloat 249, Feb 246.50, May/Sept 241.50, July/Sept 243.50 sellers.

PARIS, January 25

COCOA—(FFr per 100 kg): March 2425-2427, May 2447-2450, July 2445 bid, Sept 2455 ask, Dec 2430 ask, March 2425 ask, May 2420 ask.

BRITISH COMMODITY PRICES

BASE METALS

Base-metal prices were generally firmer on the London Metal Exchange. COPPER eased to £988 in early trading, owing to trade selling, but rallied to close firmer on balance at £998.5 following a good opening on Comex. LEAD closed at £284.5 and ZINC at £683.5. American selling depressed ALUMINIUM which closed at £1,116.75, after opening at £1,128.

COPPER

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £966, 66.50, 66, three months £988, 89, 88.50, 89, 88.50, 90, 90.50. Cathodes: Cash £961, 62, 60.5, three months £977. Kerb: Higher Grade: Three months £990, 90.50, 91, 92. Afternoon: Higher Grade: Three months £995, 96, 97, 96.50, 97, 96.50. Kerb: Higher Grade: Three months £996.50, 96, 96.50, 97, 96.50, 96. Turnover: 22,400 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	965.5-60	+6	971.5-2	+8
3 months	990-.5	+6	996.5-7	+8.5
Settlem't	966	+6	—	
Cathodes				
Cash	960-.5	+4.75	965-7	+8
3 months	978-.5	+7.75	983-5	+8.5
Settlem't	960.5	+4.5	—	
U.S. Prod	—	—	*64-68	......

TIN

Tin—Morning: Standard: Three months £8,810, 15, 10, 08, 07, 06. High Grade: Cash £8,750, 45, three months £8,837, 38. Afternoon: Standard: Three months £8,805, 8,800, 02, 8,800, 01, 8,800, 8,795. High Grade: Three months £8,835. Kerb: Standard: Three months £8,800, 8,795, 90. Turnover: 1,110 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	8745-50	—	8730-40	—18
3 months	8835-60	+10.5	8830-5	—10
Settlem't	8750	—	—	......
Standard				
Cash	8860-5	+25	8655-65	—7.5
3 months	8806-7	+21	8795-7	—14.5
Settlem't	8665	+25	—	......
Straits E.	$29.15	—	—	......
New York				

LEAD

Lead—Morning: Cash £276.50, three months £283.50, 84, 84.50, 85. Kerb: Three months £285. Afternoon: Three months £285.50, 85, 84.50, 85. Kerb: Three months £284.50. Turnover: 7,150 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	276.5-7	+3	276.5-7	+3.25
3 months	284.75-5	+2.12	285-.5	+3.5
Settlem't	277	+3	—	......
U.S. Spot	—	......	*24-28	......

ZINC

Zinc—Morning: Three months £679, 80, 81, 80.50, 80, 80.50, 81, 81.50. Kerb: Three months £682, 83, 84. Afternoon: Three months £685, 84.50, 85, 84, 84.50, 85, 84.50. Kerb: Three months £684, 84.50, 84. Turnover: 11,375 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	684-.5	—2	688-9	+.5
3 months	681.5-2	—	684-.5-5	+.5
Settlem't	685	—2	—	......
Primw'ts	—	......	*49-51	......

ALUMINIUM

Aluminium—Morning: Cash £1,090, three months £1,116, 14, 16, 16.50, 17, 17.50, 17, 18, 19. Kerb: Three months £1,120, 21, 20.50, 21. Afternoon: Three months £1,113, 17, 16, 16.50, 16, 17, 17.50, 18, 18.50, 19. Kerb: Three months £1,118, 18.50, 18, 17.50, 17, 16, 16.50. Turnover: 20,000 tonnes.

Aluminium	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Spot	1090-.5	—8.5	1091-.5	—8.75
3 months	1118-9	—8.75	1118.5-9	—9.5

NICKEL

Nickel—Morning: Cash £3,330, three months £3,406, 10, 15, 12. Kerb: Three months £3,415. Afternoon: Three months £3,405, 10. Kerb: Three months £3,410, 05, 3,400, 05. Turnover: 2,802 tonnes.

NICKEL

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —†
Spot	3330-3	—3.5	3330-3	+20
3 months	3410-2	—6.5	3412-5	+1.5

* Cents per pound. ‡ M$ per kilo. † On the previous unofficial close.

SILVER

Silver was fixed 7.05p an ounce higher for spot delivery in the London bullion market yesterday at 576.85p. U.S. cent equivalents of the fixing levels were: spot 807.9c, up 10.2c; three-month 827.3c, up 10.3c; six-month 847.9c, up 9.2c; and 12-month 891.9c, up 10.2c. The metal opened at 573½-576½p (804-808c) and closed at 575½-578½p (807-811c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	576.85p	+7.05	574.5p	+3.25
3 months	590.10p	+7.50	588.25p	+3.9
6 months	604.15p	+8.40	—	......
12months	633.65p	+7.15	—	......

LME—Silver (2,000 oz contract). Three months 589p (584.35p). Turnover 0 (0).

Turnover: 64 (83) lots of 10,000 ozs. Morning: Large cash 576.0; three months 590.0, 90.5, 90.0, 89.2, 89.5, 90.0. Kerb: large three months 591.5. Afternoon: large three months 588.0. Kerb: large three months 588.0.

COCOA

Futures opened £25 easier as expected but steadied on renewed buying. Physicals failed to attract either producers or consumers and little activity was apparent, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
	£ per tonne		
March	2002-03	+14.5	2020-64
May	1999-00	+14.0	2016-60
July	1976-78	+4.5	1997-54
Sept	1951-52	—2.5	1976-42
Dec	1910-12	—13.5	1936-18
March	1890-96	—14.0	1920-95
May	1870-85	—15.0	1910-05

Sales: 8,568 (10,370) lots of 10 tonnes.

ICCO indicator prices (U.S. cents per pound). Daily prices for Jan 25: 123.13 (122.09); five-day average for Jan 25: 121.14 (119.03).

COFFEE

Trade selling in moderate volume created opening losses of £10-17, reports Drexel, Burnham Lambert. The decline accelerated during the morning as commission house pressure in nearbys depressed values further. Dealer and trade support around the lows encouraged a recovery of £15-20 but dealings were generally light, until the close when late short-covering prompted a firmer finish.

COFFEE	Yest'day's Close	+ or —	Business Done
January	2080-90	+7.5	2080-50
March	2107-09	+11.5	2111-65
May	1993-94	+25.0	1996-60
July	1936-40	+21.5	1937-06
Sept	1892-94	+21.0	1891-60
Nov	1854-58	+14.0	1853-35
January	1826-30	+15.0	1825-05

Sales: 3,251 (6,871) lots of 5 tonnes.

ICO Indicator prices (U.S. cents per pound) for Jan 24: Comp daily 1979 140.12 (141.13): 15-day average 137.87 (137.61).

GRAINS

Old crop wheat dropped £1 on poor export figures causing shipper selling. Values stabilised at lower levels. New crops were slightly easier on light trade, reports Muirpace.

	WHEAT		BARLEY	
Mnth	Yesterd'ys close	+ or —	Yest'rd'ys close	+ or —
Mar	119.55	—1.10	119.25	—0.60
May	121.35	—1.25	120.50	—0.55
July	122.40	—1.15	—	—
Sept	108.20	—0.55	106.60	—0.20
Nov	111.20	+0.20	109.55	—0.15

Business done—Wheat: Mar 119.95-9.50, May 121.95-1.25, July 122.75-2.30, Sept 108.20-8.00, Nov 111.20-1.10. Sales: 278 lots of 100 tonnes. Barley: Mar 119.60-9.25, May 120.70-20.50, Sept 106.60 only, Nov 109.50-9.40. Sales: 164 lots of 100 tonnes.

HGCA—Locational ex-farm spot prices. Feed barley: N. East 119.30. The UK monetary coefficient for the week beginning Monday, January 30, is expected to remain unchanged.

LONDON GRAINS—Wheat: U.S. dark northern spring No. 1 14 per cent Feb 148.50, March 149.25, April/May 140 trans shipment East Coast sellers. English feed fob Feb 124.50, March 125.50, April/June 126.50 East Coast sellers. Maize: French Jan/Feb 146.50 East Coast sellers. Barley: English feed fob Feb 123.50, March 124.50 East Coast sellers. Rest unquoted.

POTATOES

The market fell on the opening, but recovered on new buying to record gains of around £2.50 by mid-afternoon before heavy profit-taking eased prices, reports Coley and Harper.

Month	Yesterdy's close	Previous close	Business Done
	£ per tonne		
Feb	159.50	159.00	160.00-157.0
April	205.80	206.50	206.50-203.0
May	216.50	218.30	218.50-215.0
Nov	76.80	76.80	—
Feb	87.50	86.50	

Sales: 906 (635) lots of 40 tonnes.

RUBBER

The London physical market opened steadier, attracted little interest throughout the day, and closed on an easier note, reports Lewis and Peat. The Kuala Lumpur February fob price for RSS No. 1 was 269.0 (268.0) a kg and SMR 20 228.5 (228.0).

No. 1 R.S.S.	Yesterdy's close	Previous close	Business Done
	£ per tonne		
Feb	883-893	890-900	—
Mch	889-890	885-890	890
Apl-Jne	903-905	907-908	912-905
Jly-Sept	914-915	916-917	924-915
Oct-Dec	922-926	928-932	—
JanMch	932-937	938-942	940
Apl-Jne	948-949	953-956	955-953
Jly-Sept	957-961	965-968	—
Oct-Dec	973-986	977-990	—

Sales: 282 (155) lots of 15 tonnes; 4 (3) lots of 5 tonnes.

Physical closing prices (buyers) spot 88.0p (same); March 89.25p (89.00p); April 89.75p.

SOYABEAN MEAL

The market opened £1.50 down in dull trading, reports T. G. Roddick. A weak cash market and light profit-taking eased prices further.

	Yestday's close	+ or —	Business Done
	£ per tonne		
Feb	159.60-60.00	—1.90	159.50-59.00
April	168.50-67.00	—2.45	169.50-66.00
June	168.50-68.90	—2.65	168.40-67.00
August	166.90-67.50	—3.05	168.40
October	164.60-67.60	—1.50	—
Dec	165.00-68.00	—0.50	—
Feb	168.80-71.00	—	—

SUGAR

LONDON DAILY PRICE—Raw sugar £125.50 ($176.00), down £5.50 a tonne for Jan-Feb-March shipment. White sugar $205.00, down $8.00.

The market remained on the defensive after a further sharp overnight fall which took quotations to new life-of-

No. 4 Contract	Yestday's close	Previous close	Business done
	£ per tonne		
Mar	138.10	141.50	149.00-34.25
May	140.75	146.75	141.50-40.75

No. 6 Contract	$ per tonne		
Mar	197.40-91.60	198.00-98.40	197.62-89.60
May	199.60-00.00	206.00-06.40	204.00-98.40
Aug	207.60-08.00	214.00-14.40	208.43-07.08
Oct	215.40-16.00	221.80-22.06	216.00-14.08
Dec	221.40-23.00	227.80-29.00	—
Mar	238.00-39.00	244.00-45.00	238.40
May	246.00-46.20	252.00-53.00	246.00

Sales: No. 4 4,434 (3,555); No. 6 860 (1,490) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis sugar was £232.50 (£238.50) a tonne for export.

International Sugar Agreement—(U.S. cents per pound fob and stowed Caribbean ports). Prices for Jan 24: Daily price 6.87 (7.30); 15-day average 6.97 (same).

COTTON

LIVERPOOL—No spot or shipment sales were recorded. Lack of enterprise persisted and dealings were exceedingly rare. Inquiry centred on specialist qualities.

WOOL FUTURES

LONDON NEW ZEALAND CROSS-BREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. Jan 412, 416, 413; March 427, 429, 429-428; May 447, 449, 449-447; Aug 468, 470, 471-467; Oct 471, 474, 475-471; Dec 472, 475, 475-472; Jan 473, 476, 475-473. Sales: 185.

MEAT/FISH

MEAT COMMISSION—Average fatstock prices at representative markets. GB—Cattle 98.14p per kg lw (+1.85). GB—Sheep 175.64p per kg est dcw (+10.40). GB—Pigs 79.93p per kg lw (+4.78).

SMITHFIELD—Pence per pound. Beef—Scotch killed sides 78.0 to 85.0. Lamb—English small 70.0 to 78.0, medium 70.0 to 76.0, heavy 66.0 to 68.0; Imported: New Zealand PL 59.0 to 60.0, PX 57.0 to 58.0. Pork—English under 100 lb 44.0 to 54.5, 100-120 lb 46.5 to 53.0, 120-160 lb 42.0 to 50.0.

COVENT GARDEN — Prices for the bulk of produce, in sterling per package unless otherwise stated. English Produce: Apples—Per lb, Cox's 0.16-0.30, IDA Red 0.10-0.14, Golden Delicious 10.00-12.00, Bramley 0.18-0.23, Spartan 0.14-0.18, Laxton 0.12-0.16. Pears—Per lb, Comice 0.15-0.22, Conference 0.10-0.18. Potatoes—Whites 4.20-4.60, Edwards 4.80-5.20, Bakers 7.50-8.00. Mushrooms—Per lb, open 0.65-0.75, closed 0.75-0.90. Lettuce—Per Tray round 2.20-2.80. Onions—Per 55-lb 4.20-5.60. Cabbages—Per 25-lb Celtic 2.50-2.70, Jan King 3.00-3.20. Beetroots—28-lb Round 1.80-2.00, Long 2.80-3.00. Turnips—28-lb 2.50-3.00. Swedes—28-lb 1.20-1.50. Sprouts—Per lb 0.14-0.19. Carrots—28-lb 2.50-3.80. Cauliflowers—Doz. Kent 4.50-4.80, Cornish Dob 4.50-5.00. Greens—30-lb Kent 3.20-3.50; 40-lb Cornish 5.00-5.50. Parsnips—28-lb 3.40-3.80. Leeks—Per lb 0.22-0.25. Rhubarb—Per lb 0.30-0.32.

GRIMSBY FISH—Supply poor, demand good. Prices at ship's side (unprocessed) per stone: half cod £4.60-6.50; codlings £4.00-4.60; medium haddock £4.20-4.80, small £3.60-4.20; skinned dogfish (medium) £11.00; rockfish £4.00; saithe £1.90-2.60.

Imported produce: Minneolas—Jaffa: 4.40-5.40; Cyprus: 10 kg 5.50-5.80; Orlandos: Jaffa: 3.50-4.20. Satsumas—Spania: 2.40-2.80. Clementines—Spania: 82/120 4.00-4.20, 132/168 3.80-4.00, 182/210 3.50-3.60; Moroccan: 1 3.80, 2 3.60, 3 3.50, 4 3.30, 5 3.00. Oranges—Spania: 4.20-5.00; Moroccan: 3.60-4.20; Jaffa: Navels 16 kg carton 40 4.20, 48 4.20, 56 3.90, 72/88 3.70, 100 4.10, 113 4.20; 21 kg Bruce 56 4.65, 60 5.20, 75 4.95, 88 4.80, 105/123 4.70, 144 4.40, Shamoutis 20 kg 60 5.10, 75 5.35, 88 5.20, 105 5.10, 123 5.00, 144 4.60, 168 4.75; Cyprus' Ovals approx 15 kg 3.50-4.00; Cuban: Tropical 76 5.80-6.00. Bitters — Spania: Sevilles 5.80-6.20. Lemons — Italian: Carton 4.50-5.00; Cyprus: 10 kg boxes 2.50-3.80; Greek: 15 kg 5.80-6.00; Spania: 5 kg 1.80-2.20; Jaffa: 4.00-5.20. Grapefruit—Jaffa: 20 kg 32 5.00, 36 5.30, 40 5.60, 48 5.30, 56 4.90, 64 4.50, 75 4.20, 88 4.00, Sunrise 23 5.60, 32/48 5.85, 56 5.70; U.S.: Ruby 7.00-7.00; Cyprus: 32 4.00-4.20, 40 3.80-4.00, 48 3.80-4.00, 56 3.60, 64 3.20. Pomelos—Jaffa: 5.20-6.60. Kumquats—Moroccan: Per pound 1.20; Israeli: 1.10-1.20. Apples — French: Golden Delicious carton 5.50-7.00, Granny Smith carton 8.50-9.00, Starkcrimson, carton 7.00-7.50; Italian: Granny Smith 0.15, Rome Beauty per pound 0.15, Golden loose per pound 0.13-0.14; Hungarian: approx 19 kg Starking 6.20-6.40; U.S.: Red Delicious carton 13.00-14.00; British Colombian: Red Delicious 11.00-12.50. Pears—Per pound Italian: Passacrassana 0.14-0.18; Dutch: Comice 0.23-0.25. Peaches — Cape: 5.00-6.00. Apricots—Cape: 4.50-6.00. Nectarines—Cape: 5.50-6.50; Chilean: Trays 60/70 11.00-12.00. Plums—Cape: Tray Gaviota 6.00-7.00, Eldorado 5.00-6.00. Strawberries — Israeli: Punnet 0.70-0.80. Grapes—Cape: Approx 5 kg Sultana 13.00-14.00, Alphonse 14.00; Spanish: Per pound Almeria 0.20-0.25, Napoleon 0.28-0.30; Zimbabwe: Thompson per box 10.00-11.00. Melons—Spanish: 10 kg green 5.00-6.00, 15 kg green 10.00-14.00; South African: Ogen 5.00-6.00.

INDICES

FINANCIAL TIMES

Jan. 24	Jan. 23	M'th ago	Y'ar ago
295.79	295.71	—	251.58

(Base: July 1 1952=100)

REUTERS

Jan. 25	Jan. 24	M'th ago	Y'ar ago
1989.2	1995.8	1975.7	1646.5

(Base: September 18 1931=100)

MOODY'S

Jan. 24	Jan. 23	M'th ago	Year ago
1060.0	1063.2	1068.5	1080.6

(Base: December 31 1931=100)

DOW JONES

Dow Jones	Jan. 24	Jan. 23	Month ago	Year ago
Spot	136.96	136.50	140.42	142.89
Fut's	138.54	138.14	143.53	147.76

(Base: September 18 1931=100)

AMERICAN MARKETS

NEW YORK, January 25.

GOLD AND SILVER were basically steady reflecting a weaker trend to the dollar, reports Heinold Commodities. Copper rallied on arbitrage buying while aluminium came under selling pressure from stop-loss selling in line with weakness overseas. Sugar gained on questions surrounding the safety of Aspertame. Coffee showed modest gains on uncertainty over the dock workers' talks. Cocoa recovered from Tuesday's loss on renewed manufacturer pricing and concern over brush fires in West Africa. Cotton was steady to weak on technical selling and on weakness to the grain complex. Heating oil did not react to a constructive trade stocks report but was unable to sell off significantly due to wholesale price increases reflecting tight nearby supplies. Grains and soyabeans finished lower due to profit-taking following the previous day's limit advance in maize and soyabeans. Lack of export interest as well as commercial selling, reflecting improved overnight cash movements, was also factors in grain's weakness.

NEW YORK

ALUMINIUM 40,000 lb, cents/lb

	Close	High	Low	Prev
March	74.95	75.50	74.85	76.00
May	75.80	76.10	75.50	76.45
July	76.80	76.80	76.70	77.30
Sept.	77.65	—	—	78.20
Dec	79.15	—	—	79.55
Jan	79.70	—	—	80.00
March	80.80	—	—	80.90
May	81.90	—	—	81.80
July	83.00	—	—	82.70
Sept	84.10	—	—	83.60

COTTON 50,000 lb, cents/lb

	Close	High	Low	Prev
March	75.30	75.50	74.90	75.27
May	75.87	76.19	75.65	75.92
July	75.88	76.00	75.60	75.95
Oct.	72.30	72.42	72.20	72.40
Dec	71.10	71.15	70.80	71.02
March	72.30	—	—	72.10
May	73.00	—	—	72.80

COFFEE "C" 37,000 lb, cents/lb

	Close	High	Low	Prev
March	144.30	44.60	43.05	43.96
May	138.51	38.70	37.30	37.93
July	135.20	35.50	34.20	34.88
Sept	133.08	33.50	32.50	33.10
Dec	130.85	31.25	30.50	30.33
March	129.00	28.50	28.40	28.50
May	127.38	27.00	26.75	26.88

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
Jan	61.70	—	—	61.30
Feb	61.80	—	—	61.40
March	62.40	62.65	61.65	62.00
May	63.70	63.95	63.30	63.25
July	65.00	65.25	64.60	64.60
Sept	66.35	66.55	65.95	65.95
Dec	68.40	68.55	68.10	68.00
Jan	69.10	—	—	68.70
March	70.45	70.15	70.15	70.05
May	71.80	72.00	71.80	71.40

COTTON 50,000 lb, cents/lb

	Latest	High	Low	Prev
March	75.25	75.50	74.90	75.27
May	75.99	76.19	75.65	75.92
July	75.85	76.00	75.60	75.95
Oct	72.30	72.42	72.20	72.40
Dec	71.11	71.15	70.80	71.02
March	72.25	—	—	72.10
May	73.20	—	—	72.80

CRUDE OIL (LIGHT) 42,000 U.S. gallons, $/barrels

	Latest	High	Low	Prev
March	29.73	29.76	29.65	29.70
April	29.52	29.54	29.40	29.48
May	29.39	29.40	29.26	29.35
June	29.32	29.33	29.22	29.28
July	29.20	29.27	29.20	29.25
August	29.19	29.19	29.19	29.20
Sept	29.25	29.25	29.25	29.20
Oct	29.25	29.25	29.25	29.20
Nov	29.15	29.15	29.15	29.20
Dec	29.10	—	—	29.20

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
Jan	367.2	366.5	366.5	366.5
Feb	367.5	367.9	366.2	366.8
March	370.4	—	—	369.7
April	373.2	373.7	372.1	372.5
June	379.2	379.5	378.0	378.4
August	385.4	385.5	384.5	384.5
Oct	391.8	391.2	390.3	390.8
Dec	398.4	397.6	397.5	397.5
Feb	405.3	405.0	404.1	404.3
April	412.3	411.0	411.0	411.2
June	419.7	—	—	418.8
August	427.3	425.5	425.5	426.2
Oct	435.2	435.0	434.0	434.0

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Latest	High	Low	Prev
Feb	98.00	98.00	96.70	96.46
March	84.65	84.75	83.30	84.05
April	77.85	77.75	76.80	77.30
May	75.60	75.65	74.70	75.23
June	75.30	75.45	74.90	74.90
July	75.60	75.90	74.90	75.60
August	—	—	—	75.90
Sept	76.15	76.15	76.15	76.35

ORANGE JUICE 15,000 lb, cents/lb

	Close	High	Low	Prev
March	154.55	55.40	52.80	54.00
May	156.20	56.90	54.90	55.85
July	156.65	57.50	56.50	57.00
Sept	157.30	57.90	56.30	57.50
Nov	155.95	56.00	56.00	56.00
Jan	153.25	54.00	53.25	54.00
March	153.25	53.90	53.25	53.80
May	153.20	—	—	53.90

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
Jan	373.5	—	—	369.5
Feb	372.0	—	—	—
April	380.3	381.0	376.5	376.3
July	387.0	386.0	383.2	383.0
Oct	393.8	393.0	390.0	389.8
Jan	400.8	400.0	398.5	395.8
April	396.0	—	—	—

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
Jan	809.0	808.0	808.0	807.6
Feb	809.5	—	—	808.5
March	818.0	820.0	811.5	815.0
May	829.9	833.0	826.0	828.7
July	843.9	848.0	839.0	842.5
Sept	858.2	863.0	853.0	856.7
Dec	879.8	883.0	876.5	878.3
Jan	887.3	—	—	885.8
March	902.3	901.0	899.0	900.8
May	918.1	—	—	916.6

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	High	Low	Prev
March	7.50	7.54	7.35	7.28
May	7.80	7.86	7.67	7.62
July	8.13	8.17	7.97	7.89
Sept	8.36	8.38	8.20	8.18
Oct	8.54	8.59	8.42	8.35
Jan	9.23	9.05	8.96	9.30
March	9.56	9.65	9.46	9.40
May	9.79	9.84	9.75	9.65

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	High	Low	Prev
Feb	68.67	69.35	68.32	69.82
April	66.75	67.10	66.12	67.42
June	65.97	66.05	65.45	66.37
August	64.50	64.60	64.00	64.72
Oct	62.42	62.55	62.15	62.65
Dec	63.45	63.70	63.20	63.75

LIVE HOGS 30,000 lb, cents/lb

	Close	High	Low	Prev
Feb	52.30	52.40	51.07	52.20
April	48.55	48.80	47.70	49.05
June	53.77	54.05	53.05	54.40
July	54.85	55.25	54.32	55.45
August	54.50	54.60	54.10	54.77
Oct	51.90	51.95	51.50	52.05
Dec	53.27	53.50	53.10	53.60
Feb	52.95	52.97	52.45	53.00
April	51.25	51.25	51.25	51.25

MAIZE 5,000 bu min, cents/56-lb bushel

	Close	High	Low	Prev
March	332.4	336.4	332.4	334.4
May	335.6	338.4	335.4	336.2
July	335.6	338.4	335.4	338.4
Sept	307.6	311.4	307.0	311.4
Dec	290.6	294.4	289.0	293.6
March	300.4	303.4	299.0	303.6
May	307.0	309.0	307.0	310.2

PORK BELLIES 38,000 lb, cents/lb

	Close	High	Low	Prev
Feb	65.90	66.60	65.10	67.10
March	66.27	67.40	65.72	67.72
May	67.80	68.95	67.32	69.32
July	68.65	69.50	68.00	69.70
August	66.65	68.50	66.57	68.10

SOYABEANS 5,000 bu min, cents/60-lb bushel

	Close	High	Low	Prev
March	745.4	759.4	745.4	760.6
May	762.0	776.4	762.0	775.4
July	774.4	787.0	774.0	787.4
August	769.4	781.0	769.0	782.6
Sept	741.0	751.0	740.4	754.6
Nov	724.4	729.4	723.0	729.0
Jan	737.0	741.0	737.0	743.0
March	751.0	755.0	751.0	757.0
May	760.0	762.0	760.0	767.0

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
March	27.99	28.56	27.96	28.66
May	28.47	29.00	28.45	29.02
July	28.60	29.08	28.55	29.10
August	28.40	28.86	28.40	28.96
Sept	27.70	28.25	27.65	28.38
Oct	26.86	27.80	26.86	27.40
Dec	26.72	27.15	26.70	27.28
Jan	26.66	—	—	27.10

SOYABEAN OIL 60,000 lb, cents/lb

	Close	High	Low	Prev
March	196.5	200.0	196.5	202.4
May	199.3	202.3	199.0	204.7
July	201.8	204.6	201.8	207.0
August	202.0	204.5	202.0	208.5
Sept	197.0	199.5	197.0	200.5
Oct	194.5	194.5	193.0	195.3
Dec	195.8	196.9	194.0	196.7
Jan	197.8	—	—	198.3
March	200.0	—	—	197.3

WHEAT 5,000 bu min, cents/60-lb bushel

	Close	High	Low	Prev
March	338.6	344.4	337.0	345.6
May	341.4	[illegible]	340.4	347.6
July	337.6	340.4	336.2	341.4
Sept	344.2	346.4	342.2	348.2
Dec	359.0	360.4	357.4	362.0
March	369.0	368.6	368.0	371.4

SPOT PRICES—Chicago loose lard 30.00 (same) cents per pound. New York tin 667.0-70.0 (668.0-70.0) cents per pound.

CURRENCIES, MONEY and CAPITAL MARKETS

APPOINTMENTS

FOREIGN EXCHANGES

Nervous recovery by dollar

The dollar showed little change overall, recovering from its worst levels touched in the afternoon following publication of the December U.S. durable goods orders. This is usually considered a volatile statistic, but a fall of 1.1 per cent surprised the foreign exchanges, pushing the dollar down to a low of DM 2.8120 against the D-mark. Trade had been very quiet during the morning, and remained nervous and confused throughout. Recent figures have suggested that the pace of U.S. economic recovery is steady, and may not cause the inflationary pressure once feared, but a further guide is expected from publication of the December trade figures this week, and leading indicators next Tuesday.

Comments by Mr Donald Regan, U.S. Treasury Secretary, about lower interest rates in 1984 had little impact and the dollar finished unchanged at DM 2.8210 against the D-mark, but slightly lower at FFr 8.62 compared with FFr 8.6250 against the French franc; SwFr 2.2415 against SwFr 2.240 in terms of the Swiss franc; and Y234.15 compared with Y234.25 against the yen.

On Bank of England figures the dollars trade-weighted index fell to 131.8 from 132.0.

STERLING — Trading range against the dollar in 1983-84 is 1.6245 to 1.3955. December average 1.4344. Trade-weighted index 81.8 against 81.7 at noon and in the morning, 81.6 on Tuesday, and 84.7 six months ago.

Sterling opened weak, but showed a strong performance in the afternoon after the announcement of the UK December trade figures. These showed a much larger than expected surplus, and coupled with the decline of the dollar on the durable goods figures, boosted the pound to a peak of $1.4070-1.4080 from an early morning level of $1.3945-$1.3955. It closed at $1.4020-1.4030, a rise of 15 points on the day. Sterling also improved to DM 3.96 from DM 3.9550, and FFr 12.09 from FFr 12.08, but was unchanged at SwFr 3.1450 and Y328.50.

D-MARK — Trading range against the dollar in 1983-84 is 2.8435 to 2.3320. December average 2.7487. Trade-weighted index 123.2 against 126.5 six months ago.

The dollar was fixed at DM 2.8253 at yesterday's fixing in Frankfurt compared with DM 2.8274 on Tuesday. The Bundesbank sold an estimated $900,000 at the fixing. Trading was quiet ahead of the release of U.S. durable goods figures although there was unlikely to be any sustained trend after initial reactions since the market is still waiting for further indications of the pace of U.S. economic growth. In addition there appears to be little likelihood of a softer dollar as long as U.S. interest rates maintain current levels. Sterling was fixed at DM 3.9650 from DM 3.9590 while the Belgian franc slipped to DM 4.898 per BFr 100 from DM 4.90.

BELGIAN FRANC — Trading range against the dollar in 1983-84 is 57.92 to 45.90. December average 56.91. Trade-weighted index 88.6 against 92.1 six months ago.

The Belgian National Bank spent the equivalent of BFr 10.3bn in the week up to last Monday in the foreign exchange market, mainly to try to contain the dollar's rise. Within the EMS the Belgian franc remained steady however with little indication of any renewal in the downward pressure that has led to a realignment in parities on several previous occasions. The dollar was fixed at BFr 57.6675 down from BFr 57.7150 and sterling was lower at BFr 80.72 from BFr 80.78. Within the EMS the D-mark slipped to BFr 20.4105 from BFr 20.4127½ while the French franc was unchanged at BFr 6.6745.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU January 25	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	[illegible]	[illegible]	+2.60	+1.90	±1.5447
Danish Krone	8.14104	8.18282	+0.51	−0.19	±1.6425
German D-Mark	2.24184	2.25741	+0.69	−0.01	±1.0642
French Franc	6.87456	6.90209	+0.40	−0.30	±1.4052
Dutch Guilder	2.52595	2.53949	+0.54	−0.16	±1.4964
Irish Punt	0.72569	0.728427	+0.38	−0.32	±1.6699
Italian Lira	1403.49	1371.23	−2.30	−2.30	±4.1505

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

£ in New York

	Jan. 25	Previous
Spot	$1.4040-4050	$1.4015-4025
1 month	0.04-0.07 dis	0.05-0.06 dis
3 months	0.14-0.18 dis	0.16-0.18 dis
12 months	0.65-0.80 dis	0.75-0.78 dis

£ forward rates are quoted in U.S. cents discount.

THE POUND SPOT AND FORWARD

Jan 25	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.3945-1.4080	1.4020-1.4030	0.03-0.08c dis	−0.47	0.14-0.19dis	−0.47
Canada	1.7450-1.7540	1.7490-1.7500	0.07-0.17c dis	−0.82	0.20-0.30dis	−0.57
Nethlnd.	4.44-4.46½	4.45-4.46	1½-1c pm	3.37	3⅞-3⅝ pm	3.25
Belgium	80.55-80.90	80.65-80.75	7-17c dis	−1.78	40-50 dis	−2.23
Denmark	14.31-14.36	14.33½-14.34½	2¾-3¾ore dis	−2.40	6½-7½ dis	−1.93
Ireland	1.2750-1.2810	1.2765-1.2775	0.27-0.33p dis	−2.82	0.76-0.89dis	−2.58
W. Ger.	3.94½-3.96½	3.95½-3.96½	1½-1pf pm	3.79	3½-3 pm	3.28
Portugal	189.50-191.50	190.50-191.00	145-325c dis	−14.78	495-985dis	−15.52
Spain	223.60-224.00	223.40-223.60	185-225c dis	−11.01	525-575 dis	−9.84
Italy	2,398-2,406	2,401½-2,403½	14½-16½ lire dis	−7.74	43½-45½dis	−7.41
Norway	11.03-11.08	11.05½-11.06½	3-3¾ore dis	−3.66	9½-10¼ dis	−3.57
France	12.07-12.11½	12.08½-12.09½	2¾-3¾c dis	−3.22	10¾-11¾dis	−3.72
Sweden	11.43-11.48	11.45½-11.46½	1½-1¾ore dis	−1.44	3¾-4¼ dis	−1.40
Japan	327-330	328-329	0.88-0.78y pm	3.05	2.48-2.33 pm	2.93
Austria	27.82-27.97	27.87-27.92	8¼-6¾gro pm	3.22	22½-19 pm	2.97
Switz.	3.13½-3.16½	3.14-3.15	1⅞-1⅝c pm	6.20	4⅞-4⅝ pm	5.56

Belgian rate is for convertible francs. Financial franc 82.05-82.15. Six-month forward dollar 0.28-0.33c dis. 12-month 0.67-0.77c dis.

THE DOLLAR SPOT AND FORWARD

Jan 25	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.3945-1.4080	1.4020-1.4030	0.03-0.08c dis	−0.47	0.14-0.19dis	−0.47
Ireland†	1.0960-1.0995	1.0985-1.0995	0.24-0.21c pm	2.46	0.65-0.59 pm	2.26
Canada	1.2475-1.2495	1.2475-1.2480	par-0.02c dis	−0.10	par-0.02dis	−0.03
Nethlnd.	3.1715-3.1800	3.1740-3.1760	1.04-0.94c pm	3.74	2.96-2.86 pm	3.67
Belgium	57.45-57.70	57.53-57.55	5-6½c dis	−1.20	24-28 dis	−1.81
Denmark	10.20½-10.24	10.22½-10.23	0.80-1.30ore dis	−1.23	1.00-1.50dis	−0.49
W. Ger.	2.8120-2.8270	2.8205-2.8215	0.95-0.90pf pm	3.94	2.72-2.67 pm	3.82
Portugal	135.80-136.35	135.90-136.10	100-225c dis	−14.34	340-680dis	−15.15
Spain	159.30-159.55	159.30-159.40	130-150c dis	−10.54	370-420 dis	−9.91
Italy	1,711-1,716	1,713-1,714	10-10¾ lire dis	−7.27	30-31 dis	−7.13
Norway	7.8750-7.8960	7.8850-7.8900	1.90-2.40ore dis	−3.27	5.80-6.30dis	−3.07
France	8.5750-8.6525	8.6175-8.6225	1.82-1.97c dis	−2.64	7.00-7.40dis	−3.34
Sweden	8.1550-8.1800	8.1700-8.1750	½-1ore dis	−1.10	1.90-2.40dis	−1.05
Japan	233.85-234.50	234.10-234.20	0.71-0.67y pm	3.54	2.01-1.96 pm	3.39
Austria	19.86-19.92	19.85-19.87	6.30-5.70gro pm	3.62	18-16 pm	3.42
Switz.	2.2360-2.2475	2.2410-2.2420	1.25-1.20c pm	6.56	3.45-3.40 pm	6.12

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 58.50-58.55.

OTHER CURRENCIES

Jan 25	£	$		£ Note Rates
Argentina Peso	35.91-35.99	25.62-25.65	Austria	27.75-28.05
Australia Dollar	1.5420-1.5440	1.0995-1.1005	Belgium	81.60-82.40
Brazil Cruzeiro	1,462.3-1,470.3	1,043-1,048	Denmark	14.27-14.41
Finland Markka	8.3160-8.3390	5.9400-5.9450	France	12.04-12.16
Greek Drachma	144.50-144.90	103.20-103.60	Germany	3.93¾-3.97¾
Hong Kong Dollar	[illegible]	[illegible]	Italy	2400-2440
Iran Rial	[illegible]	[illegible]	Japan	[illegible]
Kuwait Dinar (KD)	[illegible]	[illegible]	Netherlands	[illegible]
Luxembourg Fr	[illegible]	[illegible]	Norway	[illegible]
Malaysia Dollar	[illegible]	[illegible]	Portugal	[illegible]
New Zealand Dlr	[illegible]	[illegible]	Spain	[illegible]
Saudi Arab. Riyal	[illegible]	[illegible]	Sweden	[illegible]
Singapore Dollar	[illegible]	[illegible]	Switzerland	[illegible]
Sth African Rand	[illegible]	[illegible]	United States	[illegible]
U.A.E. Dirham	[illegible]	[illegible]	Yugoslavia	[illegible]

* Selling rates.

CURRENCY MOVEMENTS

Jan. 25	Bank of England Index	Morgan Guaranty Changes%
Sterling	81.8	−8.7
U.S. dollar	131.8	+19.5
Canadian dollar	92.5	+0.6
Austrian schilling	113.0	+2.4
Belgian franc	88.6	−12.5
Danish kroner	[illegible]	[illegible]
Deutsche mark	[illegible]	[illegible]
Swiss franc	[illegible]	[illegible]
Guilder	[illegible]	[illegible]
French franc	[illegible]	[illegible]
Lira	[illegible]	[illegible]
Yen	[illegible]	[illegible]

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (base average 1975=100).

CURRENCY RATES

Jan. 25	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.737723	0.570774
U.S. $	8½	1.03896	0.799084
Canadian $	9.96	*	0.997571
Austria Sch.	3¾	20.5766	15.9098
Belgian Fr	10	59.5682	46.0672
Danish Kr	7	10.5754	8.18262
D'mark	4	2.91848	2.25741
Guilder	[illegible]	[illegible]	2.53949
French Fr	[illegible]	[illegible]	6.90209
Lira	[illegible]	[illegible]	1371.23
Yen	[illegible]	[illegible]	187.225
Norwgn Kr	[illegible]	[illegible]	6.30477
Spanish Pta	[illegible]	[illegible]	[illegible]
Swedish Kr	[illegible]	[illegible]	[illegible]
Swiss Fr	[illegible]	[illegible]	[illegible]
Greek Dr'ch	[illegible]	[illegible]	[illegible]

* CS/SDR rate for January 24: [illegible]

EXCHANGE CROSS RATES

Jan. 25	Pound St'rling	U.S. Dollar	Deutsche m'rk	Japanese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
U.S. Dollar	[illegible]	1.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Deutschemark	[illegible]	[illegible]	1.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Japanese Yen 1,000	[illegible]	[illegible]	[illegible]	1000.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
French Franc 10	[illegible]	[illegible]	[illegible]	[illegible]	10.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Swiss Franc	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	1.	[illegible]	[illegible]	[illegible]	[illegible]
Dutch Guilder	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	1.	[illegible]	[illegible]	[illegible]
Italian Lira 1,000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	1000.	[illegible]	[illegible]
Canadian Dollar	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	1.	[illegible]
Belgian Franc 100	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	100.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Jan. 25	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Kroner
Short term	9⅛-9¼	9 7/16-9 11/16	9⅜-9⅝	5¾-5⅞	1½-1⅝	5½-5⅝	11¾-12	16-17	9½-10	9½-10	6 1/16-6 3/16	10¾-11¼
7 days' notice	9⅛-9¼	9 7/16-9 11/16	9½-9⅝	5 9/16-5 11/16	5¾-5⅞	5½-5⅝	11⅞-12⅛	15¾-17¼	10½-11	10¼-10¾	6⅛-6¼	10-10¾
Month	9 3/16-9 5/16	9½-9⅝	9½-9⅝	5⅞-6	3⅛-3¼	5 11/16-5 13/16	12 1/16-12 5/16	16⅝-17⅛	10¾-11¼	10⅜-10⅝	6⅛-6¼	10¾-11¼
Three months	9⅜-9½	9⅝-9¾	9 11/16-9 13/16	6-6⅛	3⅛-3⅜	5⅞-6	12⅞-13⅛	16¾-17¼	11½-12	10⅞-11⅛	6 1/16-6 3/16	10¾-11¼
Six months	9 5/16-9 11/16	9 13/16-10 1/16	9 13/16-10 1/16	6 1/16-6 3/16	3⅞-3 15/16	6 1/16-6 3/16	13 13/16-14 1/16	17⅛-17⅝	11½-12	11⅛-11⅝	6 1/16-6 3/16	10¾-11¼
One year	9 15/16-10	10¼-10½	10-10¼	5⅞-6⅛	4 1/16-4 3/16	6⅜-6½	14 7/16-14 11/16	17⅞-18⅜	11⅝-12⅛	11¼-11¾	6 1/16-6 3/16	11-11½

Asian $ (closing rates in Singapore): Short-term 9⅝-9 11/16 per cent; seven days 9⅝-9 11/16 per cent; one month 9 11/16-9 13/16 per cent; three months 9⅞-9⅞ per cent; six months 9 15/16-10 1/16 per cent; one year 10⅛-10⅜ per cent. Long-term Eurodollars two years 10⅝-11⅛ per cent; three years 11½-11¾ per cent; four years 11⅝-12⅛ per cent; five years 12-12¼ per cent nominal closing rates. Short-term rates are call for U.S. dollars and Japanese yen; others, two days' notice.

FINANCIAL FUTURES

Gilts weak

Gilt prices lost ground in the London International Financial Futures Exchange yesterday. Prices opened steady in line with Tuesday's close but fell in early light trading, partly on profit-taking and also on a lack of buyer interest. The pound's relative weakness and the dollar's strength were also contributory factors and there was little incentive gained from a slightly softer feel to the U.S. bond market at Tuesday's close.

News of a fall in U.S. durable goods in December pushed values sharply firmer as the market sought to assess the implications of a 1.1 per cent fall in relation to the recent statistics on U.S. economic growth. In later trading prices surrendered all earlier gains as the market dismissed the later U.S. economic statistic as being both unreliable and unrepresentative of future economic trends. The March gilt price opened at 108-30 and touched a best level of 108-31 before closing at 108-12, the lowest level of the day, and down from Tuesday's settlement price of 108-27. Sentiment was also influenced by a late fall in the cash market.

Euro-dollar prices were confined to a narrow range. There was little incentive to push values in either direction. Downward momentum was inhibited by the curent level of Fed funds. The latter have shown little intention of moving lower as the Federal authorities seem reluctant to relax their current monetary stance. There is also some nervousness ahead of next month's Federal refunding

LONDON

THREE-MONTH EURODOLLAR
$1m points of 100%

	Close	High	Low	Prev
March	90.16	90.20	90.13	90.15
June	89.80	89.83	89.77	89.79
Sept	89.50	89.50	89.48	89.50
Dec	89.20	89.20	89.20	89.22
March	89.01	—	—	89.03

Volume 2,435 (1,382)
Previous day's open int 9,269 (9,536)

THREE-MONTH STERLING DEPOSIT
£250,000 points of 100%

	Close	High	Low	Prev
March	90.59	90.59	90.54	90.54
June	90.32	90.32	90.30	90.30
Sept	90.11	90.11	90.05	90.10
Dec	89.94	89.97	89.94	89.96

Volume 1,083 (548)
Previous day's open int 6,020 (5,894)

20-YEAR 12% NOTIONAL GILT
£50,000 32nds of 100%

	Close	High	Low	Prev
March	108-12	108-31	108-12	108-27
June	107-24	108-00	107-24	108-07
Sept	107-10	—	—	107-25
Dec	106-28	—	—	107-11
March	106-14	—	—	106-30

Volume 2,989 (4,068)
Previous day's open int 4,126 (4,019)
Basis quote (clean cash price of 13¾% Treasury 2003 less equivalent price of near futures contract) 28 to 40 (32nds).

STERLING £25,000 $ per £

	Close	High	Low	Prev
March	1.4028	1.4055	1.4005	1.4007
June	1.4047	1.4064	1.4026	1.4022
Sept	1.4067	—	—	1.4042

Volume 544 (315)
Previous day's open int 2,401 (2,411)

DEUTSCHE MARKS DM 125,000
$ per DM

	Close	High	Low	Prev
March	0.3563	0.3570	0.3558	0.3557
June	0.3595	—	—	0.3589
Sept	0.3647	—	—	0.3641

Volume 31 (101)
Previous day's open int 370 (373)

SWISS FRANCS SwFr 125,000
$ per SwFr

	Close	High	Low	Prev
March	0.4500	0.4500	0.4485	0.4488
June	0.4550	—	—	0.4536
Sept	—	—	—	—

Volume 41 (86)
Previous day's open int 132 (151)

JAPANESE YEN Y12.5m
$ per Y100

	Close	High	Low	Prev
March	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	—	—	[illegible]
Sept	—	—	—	—

Volume 5 (10)
Previous day's open int 312 (302)

CHICAGO

U.S. TREASURY BONDS (CBT)
8% $100,000 32nds of 100%

	Latest	High	Low	Prev
March	71-02	71-10	70-31	71-07
June	70-15	70-22	70-12	70-20
Sept	69-29	70-04	69-27	70-02
Dec	69-12	69-19	69-09	69-17
March	68-28	69-03	68-28	69-02
June	68-14	68-18	68-14	68-20
Sept	68-02	68-03	68-02	68-06

U.S. TREASURY BILLS (IMM)
$1m points of 100%

	Latest	High	Low	Prev
March	91.01	91.02	90.97	91.00
June	90.69	90.70	90.65	90.68
Sept	90.40	90.41	90.37	90.39
Dec	90.13	90.14	90.13	90.12
March	89.87	89.88	89.87	89.87
June	89.63	—	89.63	89.65
Sept	—	—	—	89.44
Dec	89.25	89.25	89.25	89.25

CERT DEPOSIT (IMM)
$1m points of 100%

	Latest	High	Low	Prev
March	90.36	90.45	90.32	90.34
June	89.96	90.00	89.93	89.93
Sept	89.60	89.64	89.58	89.58
Dec	—	—	—	—
March	—	—	—	—
June	—	—	—	—

THREE-MONTH EURODOLLAR (IMM)
$1m points of 100%

	Latest	High	Low	Prev
March	89.89	89.94	89.86	89.87
June	89.53	89.56	89.50	89.51
Sept	89.21	89.24	89.18	89.19
Dec	88.91	88.94	88.90	88.91
March	88.62	88.63	88.60	88.62
June	88.37	88.37	88.37	88.37

STERLING (IMM) $s per £

	Latest	High	Low	Prev
March	1.4040	1.4075	1.4010	1.4010
June	1.4055	1.4085	1.4030	1.4025
Sept	1.4075	1.4120	1.4060	1.4045
Dec	1.4085	1.4130	1.4080	1.4065
March	1.4120	1.4160	1.4100	1.4085
June	—	—	—	—

GNMA (CBT) 8% $100,000
32nds of 100%

	Latest	High	Low	Prev
March	69-28	70-02	69-26	70-00
June	68-31	69-04	68-30	69-03
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
June	—	—	—	[illegible]
Sept	—	—	—	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]

MONEY MARKETS

London rates slightly easier

Interest rates had a slightly softer tone on the London money market yesterday. Three-month sterling interbank eased to 9 1/16 per cent from 9 11/32 per cent, but the discount houses buying rate for three-month eligible bank bills was unchanged at 8 15/16 per cent.

The Bank of England forecast a flat position on the money market yesterday morning, but this was revised to a surplus of about £50m in the afternoon. Market sources suggested that a shortage in the region of £200m was the expected figure yesterday, but that tax payments from the North of England were held up by bad weather. This meant that Exchequer transactions added a net £360m to liquidity, but was roughly balanced by bills maturing in the hands of the authorities, repayment of late assistance, and a take-up of Treasury bills from Friday's bill tender of £317m, plus a rise in the note circulation of £58m.

There was no intervention by the Bank of England in the market during the morning, while in the afternoon the small surplus was absorbed when the authorities sold £45m Treasury bills maturing today at 8-8¼ per cent.

In Amsterdam interest rates were virtually unchanged, with liquidity in ample supply. An underlying shortage of around Fl 7bn is at present balanced by the Dutch central bank's money market facility, and the authorities are not expected to offer a special advance in the near future. Activity in the money market is low, helping to maintain balanced conditions. Call money remained at 5½-5¾ per cent, and three-month funds at 6-6⅛ per cent, although one-month eased to 5¾-5⅞ per cent from 5⅞-6 per cent.

In Stockholm the Swedish central bank governors meet today amid strong rumours of a cut in the discount rate from 8½ per cent. Another possibility is that the krone may be revalued, and this kept the currency firm on the foreign exchanges yesterday.

UK clearing banks' base lending rate 9 per cent (since October 4 and 5)

MONEY RATES

Jan. 25	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight	5.50-5.60	11⅛	1-2	5⅝-5¾	6.21875	17⅝-18	7.15	12⅛-12⅜
One month	5.95-6.05	12 3/16-12 5/16	3⅛-3¼	5¾-5⅞	6.15625	17½-17⅞	10⅝-10⅞	12-12¼
Two months	5.95-6.05	12 3/16-12 5/16	—	—	—	—	—	12-12¼
Three months	6.05-6.20	12 3/16-12 5/16	3 5/16-3 7/16	6-6⅛	6.28125	17¾-18⅛	10⅞-11⅛	12-12¼
Six months	6.25-6.35	12 5/16-12 7/16	—	6⅛-6⅜	—	—	11⅛-11⅜	12¼-12½
Lombard	5.5	—	—	—	—	—	—	—
Intervention	—	12	—	5⅞	—	—	—	—

LONDON MONEY RATES

Discount Houses Deposit and Bill Rates

Jan. 25 1984	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	5-9¼	9-9¼	7-9⅛	5-9	—	—	—	—	—
2 days notice	—	—	9-9⅛	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 day notice	—	9-9¼	9-9⅛	9⅛-9½	9-9 1/16	—	—	—	—	—
One month	9 3/32-9 7/32	9 1/16-9 3/16	9 1/16	9⅛	9-9 1/16	9-9⅛	8 31/32	9 1/32	8 31/32	9 9/32
Two months	9 3/16-9¼	9 3/16-9 5/16	9¼	9⅜	9-9 1/16	8 15/16	8⅞	8 31/32-9	8 15/16	9⅜
Three months	9⅜-9 7/16	9⅜-9½	9⅜	9¼	9-9⅛	8⅞	8 25/32-8 27/32	8 27/32	8⅞	9 9/32
Six months	9 13/32-9⅝	9 15/32-9 19/32	9½	—	—	—	—	9 1/32	9	9 13/32
Nine months	9⅝-9¾	9 11/16-9⅞	9¾	—	—	—	—	—	—	—
One year	9 13/16-9 15/16	9⅞-10	9¾	—	—	—	—	—	—	—

Jan. 25	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two months	[illegible]	[illegible]	—	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nine months	[illegible]	[illegible]	—	[illegible]	[illegible]	[illegible]
One year	[illegible]	[illegible]	[illegible]	10	[illegible]	10-10⅛
Two years	—	[illegible]	—	—	—	—
Three years	—	[illegible]	—	—	—	—
Four years	—	[illegible]	—	—	—	—
Five years	—	[illegible]	—	—	—	—

ECGD Fixed Rate Export Finance Scheme IV Average Rate for interest period December 7 1983 to January 3 1984 (inclusive) 9.492 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rates (published by the Finance Houses Association): 9½ per cent from January 1 1984. London and Scottish Clearing Bank Rates for lending 9 per cent. London Deposit Rates for sums at seven days' notice 5¾ per cent. Treasury Bills: Average tender rate of discount 8.8981 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month 9½ per cent; one-three months 9½ per cent; three-six months 10 per cent; six-12 months 10¼ per cent. Under £100,000 9¼ per cent from January 12. Deposits held under Series 4-5 10¼ per cent. The rate for all deposits withdrawn for cash 8 per cent.

FT LONDON INTERBANK FIXING

LONDON INTERBANK FIXING (11.00 a.m. January 25)

3 months U.S. dollars

bid 9 5/8	offer 9 7/8

6 months U.S. dollars

bid 9 7/8	offer 10

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK (Lunchtime)

Prime rate	11
Broker loan rate	10½
Fed funds	9½
Fed funds at intervention	—

Treasury Bills

One month	8.85
Two month	8.85
Three month	8.93
Six month	9.01
One year	9.05

Treasury Bonds

Two year	100⅞
Three year	100⅜
Four year	100
Five year	100⅝
Seven year	100⅜
10 year	[illegible]
30 year	102⅜

Top City post at Royal Bank

THE ROYAL BANK OF SCOTLAND has appointed Mr Alexander Anderson as chief City manager in charge of its chief City office at 24 Lombard Street, London. Mr Anderson, who takes over on February 1, succeeds Mr John A. Barclay who was recently seconded to Williams & Glyn's Bank to take up an appointment as an assistant general manager, domestic banking (south). For the past two years, Mr Anderson has been manager of the bank's Glasgow, Gordon Street office, one of the bank's two principal offices in that city.

*

Mr I. T. S. Starrock is appointed a director of C. E. HEATH AND CO. (UNDERWRITING).

*

ROLLS-ROYCE has appointed Mr Dominic M. Leahy as director of public affairs from March 1. Mr Leahy is deputy airport director—Gatwick airport.

*

Mr Clifford Noonan has been appointed European marketing director of TECHNOLOGY FOR COMMUNICATIONS INTERNATIONAL. Formerly he was sales manager, Europe.

*

Mr Philip Burton, who recently joined the company, has been appointed to the board of SPINNEYS as marketing director. Prior to joining Spinneys, Mr Burton was marketing manager with Spring Grove Services and Rentokil.

*

Mr John Reilly has been appointed a director of HERBERT WATSON INSURANCE BROKERS. He was with Colburn French and Kneen. Mr David Bye has become an assistant director.

*

Mr David A. Prager has been appointed internal auditor of BANK LEUMI (UK) in succession to Mr Michael L. Diner who has taken up another senior position within the bank.

*

The Trade and Industry Secretary has reappointed the following 11 members of the ENGINEERING COUNCIL, whose initial appointments expired on December 31 1983, to serve until December 31 1985 and one until December 31 1984 at his own request. Professor G. Beveridge, Viscount Caldecote, Professor D. Embrey, Mr J. Fairclough, Mr G. Hall, Mr M. Harrison, Mr R. Hooker, Mr J. Lyons, Mr F. Martin, Baroness Platt of Writtle and Mr D. Roberts. The following new members have also been appointed: Mr C. Farrow, Mr E. Hammond, Dr J. Histon, Mrs J. Kennedy, Mr H. Lang and Mr H. Orr-Ewing.

*

SATCHWELL SUNVIC has appointed Mr Luciano Cerillo its managing director. He was formerly managing director of another GEC company within the group's wire and cables division. He replaces Mr Lewis Scott, who is moving to a senior appointment outside the group.

*

URWICK ORR AND PARTNERS has elected Mr Michael Brown as chairman of the board in succession to Mr Cyril Daniels who has retired. Mr Brown is senior partner of Brown Cooper.

*

Mr Jaakko M. Alanko has been appointed managing director of ANDERSON AND LEMBKE, London office of the Swedish-based marketing and advertising specialists. He was previously executive vice president in charge of client service with McCann-Erickson in Finland and the U.S.

*

ENGLISH AND AMERICAN INSURANCE GROUP has made the following appointments in the group's aviation underwriting division: Mr N. Franklin, group aviation underwriter, Mr D. E. Hart, aviation underwriter, and Mr G. A. Durkin, deputy aviation underwriter. Mr A. Walter has become aviation excess of loss underwriter.

*

EDINBURGH FUND MANAGERS has appointed Mr Graham Brock, Mr Peter Bucher, Mr Alex Gowans, Mr Walter Riddell-Carre and Mr George Watson assistant directors, from February 1.

*

Mr J. G. Richardson has retired from his executive responsibilities with CHARTER CONSOLIDATED, while remaining on the board.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1980=100); engineering orders (1980=100); retail sales volume (1978=100); retail sales value (1978=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1980=100); housing starts (000s, monthly average).

EXTERNAL TRADE—Indices of export and import volume (1980=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1980=100); exchange reserves.

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Clearing bank base rate (end period).

INFLATION—Indices of earnings (Jan 1980=100); basic materials and fuels, wholesale prices of manufactured products (1980=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

* Not seasonally adjusted.

INTERNATIONAL CAPITAL MARKETS

Dollars flow back into U.S. banks

BY PETER MONTAGNON IN LONDON

U.S. BANKS have begun to absorb billions of dollars from abroad in an abrupt reversal of their traditional role as net suppliers of funds for international lending, according to latest figures from the Bank for International Settlements (BIS).

In the six months to September, they took in $14.6bn from overseas, with $10.3bn coming in the third quarter alone. This followed a period of three years in which U.S. banks had continuously acted as suppliers of liquidity to the international banking system.

The Basle-based BIS, which is a leading monitor of international banking flows, says it believes one reason for this turnround is the continuing slowdown of lending to developing countries. Given the simultaneous shortage of lending opportunities elsewhere in the industrial world, international banks have been increasingly forced to place their surplus funds with U.S. institutions, it argues.

The bank's commentary implicitly rejects the argument that the U.S. needs international bank inflows to finance its budget deficit. The deficit was also large last year, when U.S. banks were supplying funds for international lending.

A new analysis accompanying the bank's report on international banking developments in the third quarter of last year shows instead that over the past decade the U.S. banking system has acted to absorb excess international liquidity and provide extra funds when the Euromarkets were tight, for example through the withdrawal of deposits by oil exporting countries.

The BIS says that the liquidity in the international banking system during the third-quarter led clearly to a "two-tier" credit market in which developing countries obtained very little new credit while there was a "vigorous pick-up" of business within industrial countries, particularly in the international interbank market for short-term deposits.

New lending to non-oil developing countries slipped during the quarter to $1.7bn from $4.6bn in the second quarter of last year, with no net lending at all to countries outside Latin America.

Opec countries, which had withdrawn $7.1bn in deposits with western banks during the second quarter, rebuilt them by $2.2bn in the third, while several Latin American countries also added to their deposits as their balance of payments improved.

BHF Bank bond average

Jan 25		Previous
98.489		98.484
High	1983-84	Low
102.017		97.899

$100m issue for Security Pacific

By Our Euromarkets Correspondent

SECURITY PACIFIC last night launched a $100m, eight-year bond with a coupon of 12 per cent and issue price par through Credit Suisse First Boston and S. G. Warburg.

The bond is the first fixed rate dollar issue this week in a market that continues quiet with little movement in secondary market trading.

Caisse Nationale des Telecommunications of France is raising Y20bn through a ten-year Samurai bond led by Daiwa Securities with a coupon of 7.6 per cent and issue price at 99.95.

The coupon is the lowest obtained by a French borrower in the Japanese market since 1978, while the yield to maturity of 7.608 is only fractionally above that of 7.571 obtained by the World Bank on its latest issue earlier this month.

Korea Eximbank is meanwhile raising Y5bn through a seven-year, 8.4 per cent private placement priced at 99.9 per cent and led by Yamaichi Securities.

Terms on the World Bank's new SwFr 200m issue were set yesterday by Credit Suisse. The 10-year bonds bear a coupon of 5⅝ per cent and issue price of 99⅜.

VONTOBEL EUROBONDINDIZES

WEIGHTED AVERAGE YIELDS
PER 24 JANUARY 1984

	Today	INDEX Last week	% Year's High	Year's Low
US$ Eurobonds	11.95	11.93	12.54	11.23
DM (Foreign Bond Issues)	7.42	7.42	7.79	7.23
HFL (Bearer Notes)	7.85	7.99	8.67	7.43
Can$ Eurobonds	12.72	12.66	13.55	12.53

Bank J. Vontobel & Co Ltd, Zurich - Tel: 010 411 488 7111

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for January 25.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia Comm 11¼ 90	100	100½	101	0	-0⅛	11.06
Australia Comm 11½ 95	300	97⅛	97⅝	0	0	11.89
Australia Comm 11⅝ 98	100	97¼	97¾	0	+0⅛	11.98
Bank of Tokyo 11 90	100	95⅛	95⅝	0	-0¼	12.08
Bank of Tokyo 11⅞ 90	100	98¼	98¾	0	-0⅛	12.19
British Col Hyd 10¼ 88	200	95⅛	96⅝	0	-0⅜	11.37
Britoil Fin 11⅞ 90	125	99⅝	100⅛	+0⅛	-0⅛	11.87
Canada 10⅝ 88	500	98¼	98¾	0	-0⅜	11.27
C.C.C.E. 12⅝ 95	75	100¼	100¾	0	+0⅜	12.51
C.I.B.C. 11 90	75	92¾	93	0	+0¼	12.75
Citicorp O/S 10⅝ 90	100	91½	92	0	-0⅛	12.38
Citicorp O/S 11¾ 90	100	98⅛	98⅝	0	0	12.08
Cred Suisse BAH 10½ 90	150	98½	99	+0⅛	-0⅛	10.77
Den Norsk Cred 11¼ 93	50	92½	93	+0⅛	0	12.55
Denmark Kingdom 12¼ 93	100	98	98½	0	+0½	12.58
E.C.S.C. 11⅞ 90	75	99¼	99¾	0	0	11.55
E.D.F. 11⅛ 93	100	93½	94	0	-0⅜	12.27
E.E.C. 11 87	350	98½	99	0	+0⅜	11.48
E.E.C. 12 93	50	99⅝	100⅛	0	0	12.01
E.I.B. 10¾ 93	200	92¼	92¾	0	+0¼	12.11
E.I.B. 11 91	125	94⅞	95⅜	+0⅛	-0⅛	12.04
E.I.B. 11½ 90	200	97	97½	0	0	12.10
Exportfinans 11½ 90	100	96⅞	97⅜	0	+0⅛	12.12
Electrolux 10½ 90	50	92⅞	93⅜	0	+0⅛	12.08
Fuji Int Fin 10⅞ 90	100	93½	94	0	-0⅜	12.33
GMAC O/S Fin 11⅜ 90	100	99½	100	0	0	11.40
Honeywell Int 10⅝ 90	100	96	96½	0	+0⅛	11.61
IC Indust Fin 11⅞ 90	75	95¼	95¾	0	-0⅜	12.39
Indust Bk Japan 11⅞ 91	100	98⅞	99⅜	0	-0½	12.03
ITT Finance 11½ 89 WW	125	99⅜	99⅞	0	-0¼	11.57
Japan Air Lines 10⅞ 98	42	92½	92¾	+0⅛	-0½	12.80
Japan Air Lines 11 93	75	94⅞	95¼	-0⅛	-0½	11.89
J.C. Penney 11⅞ 90	100	100⅝	101⅛	0	-0⅛	11.65
J. P. Morgan 11⅛ 90 WW	150	98⅝	99⅛	+0⅛	+0¼	11.58
Levi Strauss Int 11 90	75	96⅜	96⅞	0	0	11.74
L.T.C.B. 10¾ 90	100	93⅜	93⅞	0	-0⅜	12.22
L.T.C.B. 12½ 90	85	101⅝	102⅛	+0¼	-0⅛	12.04
Merrill Lynch 10⅝ 90	200	94⅞	95⅜	-0⅛	-0⅛	11.74
Mitsubishi Fin 11⅜ 90	100	95¼	95¾	-0⅛	-0⅜	12.39
Nippon Credit 11 90	100	94	94½	0	-0¼	12.33
Nippon Credit 11⅞ 90	100	97½	98	-0¼	-0⅜	12.36
Ontario Hydro 10¼ 90	250	93⅜	93⅞	+0⅛	-0⅜	11.70
Ontario Hydro 11¾ 90	200	100¼	100¾	+0⅛	-0⅜	11.61
Pacific Gas & Elec 12 91	75	101¾	102¼	0	-0¾	11.57
P.K. Banken 12 90 WW	75	97	97½	0	+0¼	12.60
Prudential 10⅛ 93 WW	150	95⅛	95⅝	0	-1¼	10.90
Prudential 10⅛ 93 XW	150	89⅞	90⅜	0	-0⅛	11.86
Quebec Hydro 11½ 92	100†	97⅜	98⅛	0	-0¼	11.85
Sears O/S Fin 11½ 88	125	101½	101⅞	+0½	-0¼	11.10
Sears O/S Fin 11⅝ 93	150	98¼	98¾	0	-0⅜	11.87
Sth Cal Edison 10½ 90	75	95	95½	0	-0⅜	11.58
Sumitomo Fin 10⅞ 90	100	93½	94	-0⅛	-0¼	12.32
Texaco Capital 10½ 93	200	94¼	94¾	0	-0⅜	11.45
U.B.S. 10 88	100	98⅛	98⅝	+0⅛	+0⅛	10.46
World Bank 11¼ 88	100	98⅞	99⅜	-0⅛	-0⅛	11.48
World Bank 11¼ 98	200	96¼	96¾	-0⅛	-0¼	12.01
World Bank 11½ 90	150	97⅞	98⅜	0	0	11.98
World Bank 12 93	200	100	100½	0	+0¼	11.93

Av. price changes: on day 0, on week -⅛

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amca Int'l 8¼ 91	100	97½	98	0	+0⅛	8.66
A.N.A.S. 8½ 91	150	98	98½	+0⅛	+0⅛	8.84
Arab Banking Corp 8 88	100	96¼	96⅞	+0⅛	0	8.93
Asian Dev Bk 8½ 93	200	100	100½	0	+0½	8.45
Austria, Rep 7⅝ 89	100	100⅝	101⅛	0	-0⅜	7.44
Avon Int Fin 7½ 93	100	100½	101¼	0	-0⅛	7.36
Barclays O/S 8⅛ 98	250	98¾	99¼	0	-0¼	8.24
Beatrice Foods 7¾ 93	130	102½	103	0	-0⅜	7.33
E.C.S.C. 8 90	100	100⅝	101⅛	+0⅛	0	7.81
E.I.B. 8 93	200	98⅞	99⅜	0	+0⅛	8.12
Eurofima 7½ 90	100	100⅝	101⅛	-0¼	-0½	7.34
Europarat 8¼ 93	150	99⅞	100⅜	0	+0⅛	8.22
Finland Rep 8 90	150	100	100½	+0⅛	+0⅛	7.94
I.A.D.B. 8¼ 93	150	97½	98	0	+0¼	8.59
Int Standard Ele 7⅞ 90	100	100⅝	100⅞	+0½	+0⅛	7.25
Int Standard Ele 7⅞ 93	100	101⅝	102⅛	0	0	7.48
Ireland 8⅝ 91	150	100¼	100¾	0	-0⅜	8.52
Japan Dev Bank 7½ 90	100	100½	101	0	-0⅜	7.34
L.T.C.B. 8 90	100	101	101½	+0⅛	+0⅜	7.73
Magal Fin 8¼ 94	150	96⅞	97⅜	0	-0⅛	8.89
Sth Africa Rep 8½ 91	200	99⅛	99⅝	0	+0⅛	8.61
S.N.C.F. 8⅛ 93	100	99⅝	100⅛	-0¼	-0⅜	8.14
VEBA Int Fin 4 93 WW	300	129½	130¼	+3⅜	+11⅞	0.84
VEBA Int Fin 4 93 XW	300	77⅜	78¼	+0¼	+1⅛	7.18
World Bank 7⅞ 89	300	99⅞	100⅜	0	-0¼	7.83
World Bank 8 93	300	98⅞	99½	0	-0⅛	8.16

Av. price changes: on day +¼, on week +⅞

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amex O/S Fin 7¼ 91	57	77⅛	77⅝	-0⅛	+0⅜	11.86
Bank of Tokyo 6 91	100	102⅛	102⅜	-0⅛	-0⅜	5.82
Denmark 6⅝ 91	100	102⅛	102⅝	0	-0⅜	5.98
E.E.C. 6 93	100	100⅝	101	-0½	+0⅛	5.87
Elec Power Dev 5⅝ 93	100	100½	100⅝	+0¼	0	5.54
Europarat 6⅛ 93	100	100⅛	100⅝	+0⅛	+0⅛	6.08
Ind Fund Fin 6¼ 91	40	101⅝	101⅞	-0⅛	0	5.95
Int-Am Dev Bk 6 93	100	100⅝	100⅞	-0⅛	-0⅛	5.93
Ireland 6½ 93	80	101⅝	102	0	-0⅜	6.24
Japan Dev Bank 5⅞ 93	100	102⅝	102⅞	+0⅜	-0⅛	5.53
Jap Highway Pub 5⅝ 91	100	101⅛	101½	0	-0¼	5.40
Kansai Ele Power 6 91	100	102½	103	+0½	-0⅛	5.53
Manitoba Prov 5½ 93	100	101⅜	102⅛	-0⅛	-0⅜	5.23
Mont Blanc Tunl 6⅝ 93	35	103¼	103½	+0½	+0⅜	5.81
Mount Isa Finance 6 93	100	103	103⅝	0	-0⅜	5.56
MTG Bk Denmark 6¼ 91	80	101¾	102	+0⅜	-0⅜	5.93
New Brunswick 5¾ 93	100	102	102¼	-0⅛	-0⅜	5.46
Nippon Tel & Tel 5¾ 93	100	102½	102⅞	-0⅜	-1⅛	5.38
Nisshin Steel 6¼ 91	100	101⅝	101⅞	-0⅜	+0⅛	5.95
Osterr Post 6½ 91	100	103	103½	+0⅛	+0⅛	5.57
Quebec Province 5⅝ 93	100	100⅞	101⅛	+0⅛	-0⅜	5.49
Shikoku Elec Power 6 91	100	102⅞	103⅛	+0⅛	-0⅛	5.52
Soc Lux Cent 5¾ 93	100†	99½	100	+0⅛	+0⅜	5.78
Sumitomo Heavy Ind 6 91	100	101⅛	101⅜	+0¼	-1⅛	5.79
Tokyo Elec Power 5⅞ 91	100	103¼	103½	+0¼	+0½	5.32
Trizec Corp 6½ 93	100	101½	101¾	0	0	5.90

Av. price changes: on day 0, on week -¼

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 8⅛ 92	15	107	107½	0	0	7.45

	Issued	Bid	Offer	Change on day	Change on week	Yield
E.I.B. 8¼ 92	15	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Int-Am Dev Bk 7¾ 93	15	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
New Zealand 7¾ 90	15	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
World Bank 7⅝ 93	15	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Av. price changes: on day 0, on week 0

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
British Col Hyd 12 93 C$	125	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
E.I.B. 12¼ 91 C$	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Loblaw 12½ 90 C$	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Montreal City of 12 90 C$	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Quebec Hydro 12½ 93 C$	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Royal Trustco 12¾ 88 C$	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
World Bank 12¼ 90 C$	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Compagnie Banc 11 90 ECU	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
SDR France 11⅝ 95 ECU	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Algemene Bank 8¼ 88 Fl	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Amro Bank 8¾ 88 Fl	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Bank Mees & Hope 8 88 Fl	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ned Middenstandbk 8 88 Fl	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Rabobank 8 88 Fl	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
World Bank 8 88 Fl	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
O.K.B. 14 88 FF	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Solvay et C. 14¾ 88 FF	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
B.F.C.E. 11¼ 88 £	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
British Oxyg 11¾ 91 £	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CEPME 11¾ 88 £	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CIBA-Geigy Int 8¾ 93 £	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Commerzbank 11½ 90 £	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
E.E.C. 11¾ 91 £	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
E.E.C. 11¾ 93 £	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Fin For Ind 10⅝ 90 £	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Finland Rep 11⅜ 88 £	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Gen Elect Co 12¼ 89 £	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
I.I.I. 10⅞ 93 £	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
I.I.I. 11½ 91 WW £	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Norsk Hydro 12 90 £	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sweden 11⅞ 93 £	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
World Bank 11⅞ 88 £	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Eurofima 10 91 LuxFr	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
European 10¾ 93 LuxFr	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FLOATING RATE NOTES	Spread	Bid	Offer	C.date	C.cpn	C.yld
Allied Irish Bk 5⅛ 92	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Banco di Roma 5¼ 90	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Belgium 5 2004	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Bk of Nova Sc 5¼ 98	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
C.C.F. 5¼ 95	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
C.C.F. 5¼ 88	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
C.N.C.A. 5¼ 93 XW	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Credit Foncier 5¼ 93	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Credit Lyonnais 5½ 98	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Denmark 5¼ 99	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Dresdner Fin 5¼ 93 XW $	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EAB Fin 5 93 †	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
E.E.C. 5 90	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ext Inv 5¼ 88†	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Fst Interstate 5¼ 95 ‡	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Fuji Int'l 5¼ 88 §	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Genfinance 5 94	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
GZB 5¼ 90	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Hispano 5¼ 95	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nat Bk Canada 5¼ 91 $†	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Quebec Hydro 5¼ 94	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Saitama Bk 5½ 93	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Soc Generale 5¼ 90 XW	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sweden 5¼ 2003 §	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Av. price changes: on day 0, on week 0

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
BBC Brown Boveri 4⅜ 95	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Bridgestone Tire 5½ 96	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Canon 7 97	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Daiwa Sec Co 5¼ 96	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Fanuc 3⅜ 98	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Hitachi Cable 5¼ 96	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Honda Motor 5¼ 96	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Honda Motor 5¼ 97	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Konishiroku Photo 4 98	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Kyowa Hakko 6¼ 97	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Minebea Co Ltd. 5¼ 98	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Mitsubishi Elec 5¼ 98	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Mitsubishi Heavy 4⅝ 98	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nippon Electric 5¼ 97	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nissan Motor 5¼ 98	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Olympus Optical 6¼ 97	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Orient Leasing 5¼ 98	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Secom 5 98	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Yamaichi Sec Co 5 98	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Yamanouchi Pharma'cal 4 98	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Bridge Oil 4¾ 93 SF	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Toshiba [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Asics 5 92 DM	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Konishiroku 6¾ 88 DM	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sum Realty 6¼ 92 DM	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield is redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.date = Date next coupon becomes effective. Spread = Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn = current coupon. C.yld = current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv. date = First date for conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.